

# THEEWATERSKLOOF

MUNICIPALITY



[These financial statements have been audited]

## FINANCIAL STATEMENTS

30 JUNE 2014



# THEEWATERSKLOOF MUNICIPALITY

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# THEEWATERSKLOOF MUNICIPALITY

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### GENERAL INFORMATION

#### NATURE OF BUSINESS

Theewaterskloof Municipality is a local municipality performing the functions as set out in the Constitution. (Act no 105 of 1996)

#### COUNTRY OF ORIGIN AND LEGAL FORM

South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998)

#### JURISDICTION

The Theewaterskloof Municipality includes the following areas:

<i>Caledon</i>	<i>Greyton</i>
<i>Grabouw</i>	<i>Genadendal</i>
<i>Villiersdorp</i>	<i>Botrivier</i>
<i>Riviersonderend</i>	<i>Tesselaarsdal</i>

#### MEMBERS OF THE MAYORAL COMMITTEE

Executive Mayor	Mr. C. Punt
Deputy Executive Mayor	Mr. M. Tshaka
Executive Councillor	Mr. N.H. De Wet
Executive Councillor	Mr. G.E.M. Carelse
Executive Councillor	Mrs. P.U. Stanfliet
Executive Councillor	Mr K Papier
Executive Councillor	Mrs. C. Vosloo (Speaker)

#### MUNICIPAL MANAGER

Mr. H.S.D. Wallace

#### CHIEF FINANCIAL OFFICER

Mr. D Louw

#### REGISTERED OFFICE

6 Plein Street, CALEDON, 7230

#### AUDITORS

Auditor General of South Africa (AGSA)

#### PRINCIPLE BANKERS

ABSA Bank, P.O. Box 145, Caledon. 7230

#### ATTORNEYS

*Bosman & Smit*  
*Fairbridges Attorneys*  
*Herold Gie Attorneys*  
*IAJ Malherbe Incorporated*  
*Johnson Kuun & Co*  
*Claughton & Wehmeyer*  
*Guthrie & Theron*  
*Du Plessis & Mostert*

#### RELEVANT LEGISLATION

Municipal Finance Management Act (Act no 56 of 2003)  
Division of Revenue Act  
The Income Tax Act  
Value Added Tax Act  
Municipal Structures Act (Act no 117 of 1998)  
Municipal Systems Act (Act no 32 of 2000)  
Municipal Planning and Performance Management Regulations  
Water Services Act (Act no 108 of 1997)  
Housing Act (Act no 107 of 1997)  
Municipal Property Rates Act (Act no 6 of 2004)  
Electricity Act (Act no 41 of 1987)  
Skills Development Levies Act (Act no 9 of 1999)  
Employment Equity Act (Act no 55 of 1998)  
Unemployment Insurance Act (Act no 30 of 1966)  
Basic Conditions of Employment Act (Act no 75 of 1997)  
Supply Chain Management Regulations, 2005  
Collective Agreements  
Infrastructure Grants  
SALBC Leave Regulations



# THEEWATERSKLOOF MUNICIPALITY

## MEMBERS OF THE THEEWATERSKLOOF MUNICIPALITY

WARD	COUNCILLOR
1	Mr. K.R. Tiemie
2	Mrs. M.L. Hector
3	Mr K Papier
4	Mrs M.M. Koegelenberg
5	Mr. N.H. De Wet
6	Mrs. J. Nellie
7	Mrs. P.U. Stanfliet
8	Mrs. C.V. Thembani
9	Mr. N. Pieterse
10	Mrs. M. Plato
11	Mr M Mathews
12	Mr. U.T. Sipunzi
13	Mr. M Tshaka
Proportional	Mr. C Punt
Proportional	Mrs. C. Vosloo
Proportional	Mr. G.E.M. Carelse
Proportional	Mr. C.D. November
Proportional	Mr. I.M. Sileku
Proportional	Mr. P. De Wet
Proportional	Mrs. F.V. Mankayi
Proportional	Mr J.P. Hendricks
Proportional	Mrs. S.R. Witbooi
Proportional	Mr. M.R. Nongxaza
Proportional	Mr. J. van Niekerk
Proportional	Mr. A. Cupido

## APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements year ended 30 June 2014, which are set out on pages 1 to in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality. The annual financial statements have been prepared in accordance with GRAP.

I acknowledge that I am ultimately responsible for the system of internal financial control and that the system of internal control provides reasonable assurance that the financial records can be relied on.

I have reviewed the Municipality's cash flow forecast for the year to 30 June 2014 and is satisfied that the Municipality can continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the Municipality's financial statements.

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

\_\_\_\_\_  
Mr. H.S.D. Wallace  
Municipal Manager

\_\_\_\_\_  
Date 31 August 2014



**THEEWATERSKLOOF MUNICIPALITY**

**STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2014**

	Notes	2014	2013
		R	R
<b>NET ASSETS AND LIABILITIES</b>			
<b>Net Assets</b>		<b>631 701 478</b>	<b>532 899 041</b>
Capital Replacement Reserve	2	6 499 770	499 770
Revaluations Reserve	2	81 275 442	41 091 455
Social Contribution Reserve	2	55 278	55 278
Accumulated Surplus		543 870 988	491 252 538
<b>Non-Current Liabilities</b>		<b>178 788 905</b>	<b>165 533 703</b>
Long-term liabilities	3	110 090 615	105 788 042
Employee benefits	4	42 733 220	34 765 580
Non-current provisions	5	25 965 070	24 980 081
<b>Current Liabilities</b>		<b>66 586 941</b>	<b>69 815 909</b>
Consumer deposits	6	3 659 875	3 306 227
Current Employee benefits	7	13 897 836	12 700 308
Payables from exchange transactions	9	39 388 135	39 664 583
Unspent conditional government grants and receipts	10	823 297	4 667 034
Unspent Public Contributions	11	488 399	862 120
Taxes	12.1	1 355 492	1 636 956
Operating lease liability	22.1	-	-
Current portion of long-term liabilities	3	6 973 907	6 978 681
<b>Total Net Assets and Liabilities</b>		<b>877 077 324</b>	<b>768 248 653</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>		<b>800 803 934</b>	<b>703 917 243</b>
Property, plant and equipment	13	640 604 516	556 571 182
Capitalised restoration costs	14	89 363	136 945
Investment property	15	158 512 813	145 291 764
Intangible assets	16	1 573 385	1 892 950
Heritage Assets	17	-	-
Long-term receivables	18	23 857	24 402
<b>Current Assets</b>		<b>76 273 391</b>	<b>64 331 411</b>
Inventory	19	2 282 251	1 921 526
Receivables from exchange transactions	20	12 277 605	15 419 014
Receivables from non-exchange transactions	21	15 467 002	11 679 691
Unpaid conditional government grants and receipts	10	6 313 484	2 377 909
Operating lease asset	22.1	489 252	442 097
Taxes	12.2	1 219 981	4 940 903
Current portion of long-term receivables	18	5 429	5 356
Cash and cash equivalents	23	38 218 387	27 544 916
<b>Total Assets</b>		<b>877 077 325</b>	<b>768 248 654</b>



THEEWATERSKLOOF MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2014

	Notes	2014 R	2013 R	Correction of Error - Note R	2013 (Previously reported) R
<b>REVENUE</b>					
Revenue from Non-exchange Transactions		273 005 490	226 998 173	2 517 906	224 480 267
Taxation Revenue		58 673 002	47 606 616	-	47 606 616
Property taxes	24	58 673 002	47 606 616	-	47 606 616
Transfer Revenue		155 960 279	147 125 821	-	147 125 821
Government Grants and Subsidies	25	154 611 729	146 123 243	-	146 123 243
Public Contributions and Donations	26	1 299 050	1 002 578	-	1 002 578
Donations for Property, Plant and Equipment		49 500	-	-	-
Other Revenue		58 372 209	32 265 736	2 517 906	29 747 830
Actuarial Gains		166 803	1 363 962	-	1 363 962
Third Party Payments		226 910	401 174	-	401 174
Fines		29 835 408	7 983 765	2 517 906	5 465 859
Fair Value Adjustments	29	28 143 088	22 516 835	-	22 516 835
Revenue from Exchange Transactions		166 246 978	151 279 952	(1 517 477)	152 797 429
Service Charges	27	142 531 766	131 758 373	(209 123)	131 967 496
Rental of Facilities and Equipment		1 936 232	1 408 882	(1 308 354)	2 717 236
Interest Earned - external investments		2 903 978	2 407 250	-	2 407 250
Interest Earned - outstanding debtors		9 267 473	7 616 931	-	7 616 931
Licences and Permits		2 635 096	2 625 949	-	2 625 949
Agency Services		2 189 056	1 956 810	-	1 956 810
Other Income	28	4 473 590	3 505 757	-	3 505 757
Gain on disposal of Property, Plant and Equipment		309 787	-	-	-
<b>Total Revenue</b>		<b>439 252 468</b>	<b>378 278 125</b>	<b>1 000 429</b>	<b>377 277 696</b>
<b>EXPENDITURE</b>					
Employee related costs	30	124 567 548	109 724 843	2 017 514	107 707 329
Remuneration of Councillors	31	8 203 131	7 410 014	-	7 410 014
Debt Impairment	32	47 239 932	22 703 382	-	22 703 382
Depreciation and Amortisation	33	10 283 579	8 466 350	-	8 466 350
Impairments	34	22 532 038	89 844 857	-	89 844 857
Repairs and Maintenance		18 412 044	17 849 287	-	17 849 287
Actuarial losses	4	4 183 018	256 662	-	256 662
Finance Charges	35	12 478 081	12 779 822	-	12 779 822
Bulk Purchases	36	50 043 145	45 334 371	-	45 334 371
Contracted services		17 749 201	15 273 141	781 670	14 491 471
Grants and Subsidies	37	823 890	782 625	-	782 625
Operating Grant Expenditure	38	-	-	(9 587 884)	9 587 883
General Expenses	39	63 777 110	32 022 574	5 480 346	26 542 228
Loss on disposal of Property, Plant and Equipment		341 301	1 300 370	-	1 300 370
<b>Total Expenditure</b>		<b>380 634 018</b>	<b>363 748 298</b>	<b>(1 308 354)</b>	<b>365 056 651</b>
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>58 618 450</b>	<b>14 529 827</b>	<b>2 308 783</b>	<b>12 221 045</b>

AUDITOR-GENERAL  
2014 -11- 27  
*[Signature]*  
SOUTH AFRICA

THEEWATERSKLOOF MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2014

	Revaluations Reserve	Capital Replacement Reserve	Social Contribution Reserve	Accumulated Surplus/ (Deficit)	Total
	R	R	R	R	R
Balance at 30 JUNE 2012	11 422 657	-	55 278	460 590 024	472 067 959
Correction of error - Note - 40.04		-	-	16 632 457	16 632 457
<b>Restated balance at 1 JULY 2012</b>	<b>11 422 657</b>	<b>-</b>	<b>55 278</b>	<b>477 222 481</b>	<b>488 700 417</b>
Net Surplus for the year	-	-	-	14 529 827	14 529 827
Revaluation of PPE	29 668 798	-	-	-	29 668 798
Transfer to/from reserves	-	499 770	-	(499 770)	-
<b>Balance at 30 JUNE 2013</b>	<b>41 091 455</b>	<b>499 770</b>	<b>55 278</b>	<b>491 252 538</b>	<b>532 899 042</b>
Net Surplus for the year	-	-	-	58 618 450	58 618 450
Revaluation of PPE	40 183 987	-	-	-	40 183 987
Property, Plant and Equipment purchased	-	-	-	-	-
Transfer to/from reserves	-	6 000 000	-	(6 000 000)	-
<b>Balance at 30 JUNE 2014</b>	<b>81 275 442</b>	<b>6 499 770</b>	<b>55 278</b>	<b>543 870 988</b>	<b>631 701 479</b>



**THEEWATERSKLOOF MUNICIPALITY**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2014**

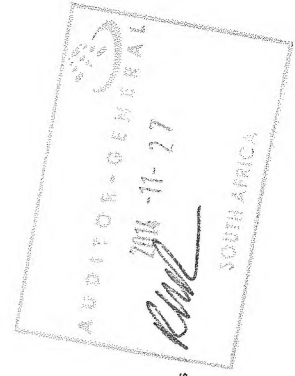
		2014	2013
	Notes	R	R
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Ratepayers and other		197 827 328	162 862 217
Government grants		146 908 415	141 135 247
Public Contributions		925 329	1 697 464
Interest		12 171 451	10 024 181
<b>Payments</b>			
Suppliers and employees		(277 732 001)	(209 598 040)
Finance charges	35	(12 478 081)	(12 779 822)
Transfers and Grants		(823 890)	(782 625)
<b>Cash generated by operations</b>	41	<b>66 798 551</b>	<b>92 558 622</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Property, Plant and Equipment	13	(62 946 682)	(88 322 664)
Proceeds on Disposal of Fixed Assets		1 584 369	8 398 109
Purchase of Intangible Assets	16	-	(78 553)
Decrease in Long-term Receivables	18	585 787	12 680
<b>Net Cash from Investing Activities</b>		<b>(60 776 528)</b>	<b>(79 990 428)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Loans repaid		(6 977 661)	(6 521 067)
New loans raised		11 275 461	22 600
Increase in Consumer Deposits		353 648	61 459
<b>Net Cash from Financing Activities</b>		<b>4 651 448</b>	<b>(6 437 008)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>10 673 471</b>	<b>6 131 188</b>
Cash and Cash Equivalents at the beginning of the year		27 544 916	21 413 727
Cash and Cash Equivalents at the end of the year	42	38 218 387	27 544 916
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>10 673 471</b>	<b>6 131 189</b>





**THEEWATERSKLOOF MUNICIPALITY**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2014**  
**COMPARISON OF ACTUAL AMOUNTS TO FINAL BUDGET**

	2014 R (Actual)	2014 R (Final Budget)	2014 R (Variance)	Explanations for material variances
<b>ASSETS</b>				
<b>Current assets</b>				
Cash	11 250 981	15 052	11 235 929	Loans of previous year that was not taken up has been raised
Call investment deposits	26 967 406	-	26 967 406	
Consumer debtors	12 277 605	42 323 608	(30 046 003)	More bad debt were written off than budget for, which also affected the calculation for impairments
Other Receivables	23 489 720	3 000 000	20 489 720	Correction of prior year fines not raised
Current portion of long-term receivables	5 429	5 356	73	
Inventory	2 282 251	2 200 000	82 251	
<b>Total current assets</b>	<b>76 273 392</b>	<b>47 544 016</b>	<b>28 729 377</b>	
<b>Non current assets</b>				
Long-term receivables	23 857	19 046	4 811	
Investment property	158 512 813	131 492 025	27 020 788	
Property, plant and equipment	640 693 879	487 774 341	152 919 538	Correction of Property previously cluster in terms of the mother erven currently individually identified and incorporated into the register along with previously omitted erven
Intangible Assets	1 573 385	1 892 950	(319 565)	
<b>Total non current assets</b>	<b>800 803 934</b>	<b>621 178 362</b>	<b>179 625 572</b>	
<b>TOTAL ASSETS</b>	<b>877 077 325</b>	<b>668 722 378</b>	<b>208 354 947</b>	
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Bank overdraft	-	-	-	
Borrowing	6 973 907	7 182 945	(209 038)	
Consumer deposits	3 659 875	3 550 260	109 615	
Trade and other payables	42 055 324	34 957 260	7 098 064	Due to large amount of purchases taking place at year end which is only due in July 2014
Provisions and Employee Benefits	13 897 836	12 308 334	1 589 503	Projections made differ from actuarial report and could not be accurately predicted.
<b>Total current liabilities</b>	<b>66 586 942</b>	<b>57 998 799</b>	<b>8 588 143</b>	
<b>Non current liabilities</b>				
Borrowing	110 090 615	105 648 114	4 442 502	
Provisions and Employee Benefits	68 698 290	64 650 287	4 048 003	
<b>Total non current liabilities</b>	<b>178 788 905</b>	<b>170 298 401</b>	<b>8 490 504</b>	
<b>TOTAL LIABILITIES</b>	<b>245 375 847</b>	<b>228 297 200</b>	<b>17 078 647</b>	
<b>NET ASSETS</b>	<b>631 701 479</b>	<b>440 425 178</b>	<b>191 276 301</b>	
<b>COMMUNITY WEALTH</b>				
Accumulated Surplus/(Deficit)	543 870 988	397 881 675	145 989 313	Prior years correction refer to note 40.03 and the budget made provision for a deficit due to huge impairments which did not realise.
Reserves	87 830 490	42 543 503	45 286 987	A bigger contribution could be made to the CRR fund due to cashflow status at year end and Revaluation Reserve increase due to some pockets of land were further divided into different portions which give different figures than in the previous list. Values of buildings increased because of the increases in building costs and because more detailed information was obtained in some cases.
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>631 701 478</b>	<b>440 425 178</b>	<b>191 276 300</b>	



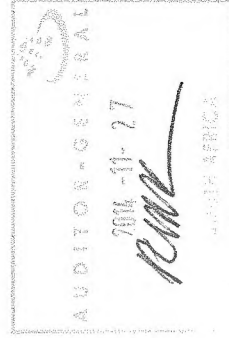
**THEEWATERSKLOOF MUNICIPALITY**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2014**

**ADJUSTMENTS TO APPROVED BUDGET**

	2014 R (Approved Budget)	2014 R (Adjustments)	2014 R (Final Budget)	Explanations for material adjustments
<b>ASSETS</b>				
<b>Current assets</b>				
Cash	1 797 816	(1 782 764)	15 052	
Call investment deposits	10 000 000	(10 000 000)	-	
Consumer debtors	24 346 980	17 976 628	42 323 608	
Other Receivables	3 000 000	-	3 000 000	
Current portion of long-term receivables	3 865	1 491	5 356	
Inventory	2 500 000	(300 000)	2 200 000	
<b>Total current assets</b>	<b>41 648 661</b>	<b>5 895 355</b>	<b>47 544 016</b>	
<b>Non current assets</b>				
Long-term receivables	37 837	(18 791)	19 046	
Investments	-	-	-	
Investment property	269 134 450	(137 642 425)	131 492 025	
Property, plant and equipment	612 223 823	(124 449 482)	487 774 341	
Biological Assets	-	-	-	
Intangible Assets	2 189 986	(297 036)	1 892 950	
Heritage Assets	-	-	-	
<b>Total non current assets</b>	<b>883 586 096</b>	<b>(262 407 734)</b>	<b>621 178 362</b>	
<b>TOTAL ASSETS</b>	<b>925 234 757</b>	<b>(256 512 379)</b>	<b>668 722 378</b>	
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Bank overdraft	-	-	-	
Borrowing	8 000 000	(817 055)	7 182 945	
Consumer deposits	3 550 260	-	3 550 260	
Trade and other payables	27 993 024	6 964 236	34 957 260	
Provisions and Employee Benefits	17 600 000	(5 291 666)	12 308 334	
<b>Total current liabilities</b>	<b>57 143 284</b>	<b>855 515</b>	<b>57 998 799</b>	
<b>Non current liabilities</b>				
Borrowing	117 256 355	(11 608 241)	105 648 114	
Provisions and Employee Benefits	61 395 553	3 254 734	64 650 287	
<b>Total non current liabilities</b>	<b>178 651 908</b>	<b>(8 353 507)</b>	<b>170 298 401</b>	
<b>TOTAL LIABILITIES</b>	<b>235 795 192</b>	<b>(7 497 992)</b>	<b>228 297 200</b>	
<b>NET ASSETS</b>	<b>689 439 565</b>	<b>(249 014 387)</b>	<b>440 425 178</b>	
<b>COMMUNITY WEALTH</b>				
Accumulated Surplus/(Deficit)	675 880 565	(277 998 890)	397 881 675	
Reserves	13 559 000	28 984 503	42 543 503	
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>689 439 565</b>	<b>(249 014 387)</b>	<b>440 425 178</b>	

The classification basis of the budget and financial statements are different and the statements of comparison of budget and actual amounts were compiled in terms of the budget classifications.

The municipality adjusted the budget in line with the latest requirements of GRAP.



**THEWATERSKLOOF MUNICIPALITY**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2014**

**COMPARISON OF ACTUAL AMOUNTS TO FINAL BUDGET**

REVENUE BY SOURCE	2014 R (Actual)	2014 R (Final Budget)	2014 R (Variance)	Explanations for material variances
Property rates	58 673 002	59 447 829	(774 827)	
Property rates - penalties & collection charges	-	-	-	
Service charges	142 531 766	145 614 609	(3 082 843)	
Rental of facilities and equipment	1 936 232	1 441 000	495 232	
Interest earned - external investments	2 903 978	2 200 000	703 978	
Interest earned - outstanding debtors	9 267 473	8 000 000	1 267 473	More unpaid municipal accounts than was anticipated with the compilation of the budget
Dividends received	-	-	-	
Fines	29 835 408	13 032 000	16 803 408	Budget for traffic fines was based on actual payments, but actual was adjusted to align with GRAP 23 and IGRAP 1
Licences and permits	2 635 096	2 570 000	65 096	
Agency services	2 189 056	2 200 000	(10 944)	
Government Grants and Subsidies	154 611 729	154 596 224	15 505	
Other revenue	34 358 941	8 535 000	25 823 941	Fair value adjustments on Investment Property not budgeted for.
Gains on disposal of PPE	309 787	205 000	104 787	
<b>Total Operating Revenue</b>	<b>439 252 468</b>	<b>397 841 662</b>	<b>41 410 806</b>	
EXPENDITURE BY TYPE				
Employee related costs	124 567 548	126 956 777	(2 389 229)	
Remuneration of councillors	8 203 131	8 353 505	(150 374)	
Debt Impairment	47 239 932	24 955 860	22 284 072	Extra impairment was made for traffic fines due to Implementation of GRAP 23 and IGRAP 1 Impairment on general valuation roll differs from asset register due to two valuation companies and therefore full impairments was not done
Depreciation & asset impairment	32 815 617	128 555 012	(95 739 395)	
Finance charges	12 478 081	12 940 083	(462 002)	
Bulk purchases	50 043 145	49 276 680	766 465	
Other materials	-	-	-	
Contracted services	17 749 201	17 826 829	(77 628)	
Grants and subsidies paid	823 890	850 000	(26 110)	
Other expenditure	86 372 172	97 445 531	(11 073 359)	Spending on Housing top structures was depayed due to relocation of beneficiaries Property sold with an unsolicited bid below the valuation on the register, but property not yet transferred.
Loss on disposal of PPE	341 301	4 214 000	(3 872 699)	
<b>Total Operating Expenditure</b>	<b>380 634 018</b>	<b>471 374 287</b>	<b>(90 740 269)</b>	
<b>Operating Surplus/(Deficit) for the year</b>	<b>58 618 450</b>	<b>(73 532 625)</b>	<b>132 151 075</b>	

*RCM*

**THEWATERSKLOOF MUNICIPALITY**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2014**

**ADJUSTMENTS TO APPROVED BUDGET**

	2014 R	2014 R	2014 R	2014 R	2014 R	Reasons for material adjustments
REVENUE BY SOURCE	(Approved Budget)	(Adjustments)	(Final Budget)	Final Virements	(Final Year-end Budget)	
Property rates	60 047 001	(599 172)	59 447 829	-	59 447 829	
Property rates - penalties & collection charges	-	-	-	-	-	
Service charges	145 559 034	55 575	145 614 609	-	145 614 609	
Rental of facilities and equipment	1 420 000	21 000	1 441 000	-	1 441 000	
Interest earned - external investments	2 200 000	-	2 200 000	-	2 200 000	
Interest earned - outstanding debtors	4 000 000	4 000 000	8 000 000	-	8 000 000	Was under budgeted and adjusted according to projection of actual interest levied.
Dividends received	-	-	-	-	-	
Fines	8 019 000	5 013 000	13 032 000	-	13 032 000	Was under budgeted and adjusted according to projection of actual interest levied.
Licences and permits	2 508 000	62 000	2 570 000	-	2 570 000	
Agency services	2 100 000	100 000	2 200 000	-	2 200 000	
Transfers recognised	149 691 000	4 905 224	154 596 224	-	154 596 224	
Other revenue	9 296 272	(761 272)	8 535 000	-	8 535 000	
Gains on disposal of PPE	-	205 000	205 000	-	205 000	
<b>Total Operating Revenue</b>	<b>384 840 307</b>	<b>13 001 355</b>	<b>397 841 662</b>	<b>-</b>	<b>397 841 662</b>	
<b>EXPENDITURE BY TYPE</b>						
Employee related costs	127 223 432	(266 656)	126 956 777	-	126 956 777	
Remuneration of councillors	8 501 744	(148 239)	8 353 505	-	8 353 505	
Debt impairment	13 029 417	11 926 443	24 955 860	-	24 955 860	Adjusted according to recalculation of payment percentage Adjustment was made to include impairments of difference between valuation on asset register and general valuation roll
Depreciation & asset impairment	19 940 571	108 614 441	128 555 012	-	128 555 012	
Finance charges	13 730 846	(790 763)	12 940 083	-	12 940 083	
Bulk purchases	49 824 000	(547 310)	49 276 690	-	49 276 690	
Other materials	-	-	-	-	-	
Contracted services	18 269 829	(488 000)	17 811 829	15 000	17 826 829	
Grants and subsidies paid	850 000	-	850 000	-	850 000	
Other expenditure	77 192 364	20 268 167	97 460 531	(15 000)	97 445 531	Adjustment due to re-dividing the budget of housing between operational and capital To include selling of property not known at time of original budget compilation
Loss on disposal of PPE	-	4 214 000	4 214 000	-	4 214 000	
<b>Total Operating Expenditure</b>	<b>328 592 203</b>	<b>142 782 084</b>	<b>471 374 287</b>	<b>-</b>	<b>471 374 287</b>	
<b>Operating Surplus/(Deficit) for the year</b>	<b>56 248 104</b>	<b>(129 780 729)</b>	<b>(73 532 625)</b>	<b>-</b>	<b>(73 532 625)</b>	

The classification basis of the budget and financial statements are different and the statements of comparison of budget and actual amounts were compiled in terms of the budget classifications.

**THEWATERSKLOOF MUNICIPALITY**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2014**

**COMPARISON OF ACTUAL AMOUNTS TO FINAL BUDGET**

	2014 R (Actual)	2014 R (Final Budget)	2014 R (Variance)	Explanations for material variances
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Receipts				
Ratepayers and other	198 752 637	192 467 067	6 285 590	
Government Grants	146 908 415	151 297 000	(4 388 585)	
Interest	12 171 451	10 200 000	1 971 451	
Dividends	-	-	-	According to debt collection policy interest is first subtracted from debtors payment
Payments				
Suppliers and Employees	(277 732 001)	(300 464 811)	22 732 810	
Finance charges	(12 478 081)	(14 521 609)	2 043 528	
Transfers and Grants	(823 890)	(850 000)	26 110	Loan for 2013/2014 not taken up, thus saving on finance charges.
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>66 798 551</b>	<b>38 127 647</b>	<b>28 670 903</b>	
<b>CASH FLOW'S FROM INVESTING ACTIVITIES</b>				
Receipts				
Proceeds on disposal of Assets	1 584 369	4 009 000	(2 424 631)	Property sold with an unsolicited bid, but property not yet transferred.
Decrease/(increase) in non-current receivables	585 787	5 356	580 431	
Decrease/(increase) in non-current investments	-	-	-	
Payments				
Capital assets	(62 946 682)	(69 980 237)	7 033 555	Underspending of approved capital budget due to delays by contractors.
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(60 776 528)</b>	<b>(65 965 881)</b>	<b>5 189 355</b>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Receipts				
Borrowing	11 275 461	7 075 270	4 200 191	
Increase/(decrease) in consumer deposits	353 648	244 033	109 615	Taking up of loans approved in the 2012/2013 budget
Payments				
Repayment of borrowing	(6 977 661)	(7 010 934)	33 272	
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>4 651 448</b>	<b>308 370</b>	<b>4 343 078</b>	
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>10 673 471</b>	<b>(27 529 864)</b>	<b>38 203 336</b>	
Cash and Cash Equivalents at the beginning of the year	27 544 916	27 544 916	(0)	
Cash and Cash Equivalents at the end of the year	38 218 387	15 052	38 203 336	

  
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**THEEWATERSKLOOF MUNICIPALITY**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2014**

**ADJUSTMENTS TO APPROVED BUDGET**

	2014 R	2014 R	2014 R	Reasons for material adjustments
	(Approved Budget)	(Adjustments)	(Final Budget)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Receipts				
Ratepayers and other	215 919 890	(23 452 823)	192 467 067	
Government - operating	86 840 000	18 488 000	105 328 000	
Government - capital	62 851 000	(16 882 000)	45 969 000	
Interest	6 200 000	4 000 000	10 200 000	
Dividends	-	-	-	
Payments				
Suppliers and Employees	(281 041 369)	(19 423 442)	(300 464 811)	
Finance charges	(13 730 846)	(790 763)	(14 521 609)	
Transfers and Grants	-	(850 000)	(850 000)	
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>77 038 675</b>	<b>(38 911 028)</b>	<b>38 127 647</b>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Receipts				
Proceeds on disposal of Assets	-	4 009 000	4 009 000	
Decrease/(increase) in non-current receivables	-	5 356	5 356	
Decrease/(increase) in non-current investments	-	-	-	
Payments				
Capital assets	(73 594 333)	3 614 096	(69 980 237)	
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(73 594 333)</b>	<b>7 628 452</b>	<b>(65 965 881)</b>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Receipts				
Borrowing	7 075 270	-	7 075 270	
Increase/(decrease) in consumer deposits	250 470	(6 437)	244 033	
Payments				
Repayment of borrowing	(8 000 000)	989 067	(7 010 934)	
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(674 260)</b>	<b>982 630</b>	<b>308 370</b>	
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>2 770 082</b>	<b>(30 299 946)</b>	<b>(27 529 864)</b>	
Cash and Cash Equivalents at the beginning of the year	9 027 734	18 517 182	27 544 916	
Cash and Cash Equivalents at the end of the year	11 797 816	(11 782 764)	15 052	

The classification basis of the budget and financial statements are different and the statements of comparison of budget and actual amounts were compiled in terms of the budget classifications.

2014-15-27  


## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014

	2014 R	2013 R
<b>2 NET ASSET RESERVES</b>		
Capital Replacement Reserve	6 499 770	499 770
Revaluations Reserve	81 275 442	41 091 455
Social Contributions Reserve	55 278	55 278
<b>Total Net Asset Reserves</b>	<b>87 830 490</b>	<b>41 646 503</b>

<b>3 LONG-TERM LIABILITIES</b>		
Annuity Loans - At amortised cost	99 977 045	95 637 176
Capitalised Lease Liability - At amortised cost	64 505	106 576
Stock loans	17 022 971	17 022 971
	<b>117 064 522</b>	<b>112 766 723</b>
Current Portion transferred to Current Liabilities	<b>(6 973 907)</b>	<b>(6 978 681)</b>
Annuity Loans - At amortised cost	<b>(6 909 402)</b>	<b>(6 936 610)</b>
Capitalised Lease Liability - At amortised cost	<b>(64 505)</b>	<b>(42 071)</b>
<b>Total Long-term Liabilities - At amortised cost using the effective interest rate method</b>	<b>110 090 615</b>	<b>105 788 042</b>

Refer below for maturity dates of long term liabilities:

The obligations under annuity loans are scheduled below:

Amounts payable under annuity loans:

		Minimum annuity payments
Payable within one year	17 229 200	16 797 201
Payable within two to five years	64 064 802	58 724 358
Payable after five years	97 454 665	102 146 159
	<b>178 748 666</b>	<b>177 667 717</b>
<b>Less: Future finance obligations</b>	<b>(78 771 621)</b>	<b>(82 030 542)</b>
<b>Present value of annuity obligations</b>	<b>99 977 045</b>	<b>95 637 175</b>

Annuity loans at amortised cost is calculated at 9.29%-16.5% interest rate, with first maturity date of 30 June 2013 and last maturity date of 31 December 2030.

The obligations under finance leases are scheduled below:

Amounts payable under finance leases:

		Minimum lease payments
Payable within one year	93 066	139 599
Payable within two to five years	-	93 066
	<b>93 066</b>	<b>232 665</b>
<b>Less: Future finance obligations</b>	<b>(28 561)</b>	<b>(126 089)</b>
<b>Present value of lease obligations</b>	<b>64 505</b>	<b>106 576</b>

The capitalised lease liability consist out of the following contracts:

Supplier	Description of leased item	Effective Interest rate	Annual Escalation	Lease Term	Maturity Date
DFA Solutions	Laptop computers	9%	0%	3 Years	28/02/2015

Leases are secured by property, plant and equipment, which consist of laptop computers - Note 13

A handwritten signature, possibly 'RME', is written over a faint rectangular stamp. The stamp contains some illegible text and a date that appears to be '2014-06-30'.

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014

## 3 LONG-TERM LIABILITIES (CONTINUE)

The obligations under stock loans are scheduled below:

Amounts payable under stock loans:

	2014 R	2013 R
	Minimum stock loan payments	
Payable within one year	1 597 949	1 598 273
Payable within two to five years	6 397 496	6 004 346
Payable after five years	26 936 971	28 928 069
	34 932 415	36 530 688
<u>Less:</u> Future finance obligations	(17 909 445)	(19 507 718)
<b>Present value of stock loan obligations</b>	<b>17 022 971</b>	<b>17 022 971</b>

Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance.

## 4 EMPLOYEE BENEFITS

Post Retirement Benefits - Refer to Note 4.1

Long Service Awards - Refer to Note 4.2

**Total Non-current Employee Benefit Liabilities**

38 160 863	30 573 825
4 572 357	4 191 755
<b>42 733 220</b>	<b>34 765 580</b>

Post Retirement Benefits

Balance 1 July	31 670 577	29 679 626
Contribution for the year	1 948 763	2 105 785
Interest Cost	2 733 505	2 314 910
Expenditure for the year	(1 164 956)	(1 065 782)
Actuarial Loss/ (Gain)	4 183 018	(1 363 962)

**Total post retirement benefits 30 June**

Less: Transfer of Current Portion - Note 7

**Balance 30 June**

39 370 907	31 670 577
(1 210 044)	(1 096 752)
<b>38 160 863</b>	<b>30 573 825</b>

Long Service Awards

Balance 1 July	4 565 521	3 890 156
Contribution for the year	606 655	542 491
Interest Cost	328 770	248 177
Expenditure for the year	(343 708)	(371 965)
Actuarial Loss	(166 803)	256 662

**Total long service 30 June**

Less: Transfer of Current Portion - Note 7

**Balance 30 June**

4 990 435	4 565 521
(418 078)	(373 766)
<b>4 572 357</b>	<b>4 191 755</b>

TOTAL NON-CURRENT EMPLOYEE BENEFITS

Balance 1 July	36 236 098	33 569 782
Contribution for the year	2 555 418	2 648 276
Interest cost	3 062 275	2 563 087
Expenditure for the year	(1 508 665)	(1 437 747)
Actuarial (Gain)/ Loss	4 016 215	(1 107 300)

**Total employee benefits 30 June**

Less: Transfer of Current Portion - Note 7

**Balance 30 June**

44 361 342	36 236 098
(1 628 122)	(1 470 518)
<b>42 733 220</b>	<b>34 765 580</b>

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## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014

## 4 EMPLOYEE BENEFITS (CONTINUE)

2014  
R2013  
R

## 4.1 Post Retirement Benefits

The Post Retirement Benefit Plan is a defined benefit plan, of which the members are made up as follows:

In-service (employee) members	166	151
In-service (employee) non-members	410	414
Continuation members (e.g. Retirees, widows, orphans)	34	33
<b>Total Members</b>	<b>610</b>	<b>598</b>

The liability in respect of past service has been estimated to be as follows:

In-service members	17 485 290	12 749 078
In-service non-members	5 010 454	3 894 959
Continuation members	16 875 163	15 026 540
<b>Total Liability</b>	<b>39 370 907</b>	<b>31 670 577</b>

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2013 R	2012 R	2011 R	2010 R
Members	31 670 577	29 679 626	26 514 500	19 691 820
<b>Total Liability</b>	<b>31 670 577</b>	<b>29 679 626</b>	<b>26 514 500</b>	<b>19 691 820</b>

Experience adjustments were calculated as follows:	2014 R	2013 R	2012 R	2011 R	2010 R
Liabilities: (Gain) / loss	2 747 000	(384 000)	(1 390 000)	4 680 000	-
Assets: Gain / (loss)				-	-

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

Bonitas;  
LA Health;  
Hosmed;  
Samwumed; and  
Keyhealth.

The Future-service Cost for the ensuing year is estimated to be R2 687 900, whereas the Interest Cost for the next year is estimated to be R3 509 800.

## Sensitivity Analysis on the future service cost and interest cost

Assumption		Current Service Cost R	Interest Cost R	Total R	% change
Central Assumptions		2 687 900	3 509 800	6 197 700	
The effect of movements in the assumptions are as follows:					
Health care inflation	1%	3 209 300	4 051 000	7 260 300	17%
Health care inflation	-1%	2 234 300	3 043 500	5 277 800	-15%
Discount rate	1%	2 204 900	3 349 800	5 554 700	-10%
Discount rate	-1%	3 322 100	3 678 000	7 000 100	13%
Post-retirement mortality	-1 year	2 778 100	3 641 800	6 419 900	4%
Average retirement age	-1 year	2 800 400	3 698 000	6 498 400	5%
Continuation of membership at retirement	-10%	2 117 600	3 058 100	5 175 700	-16%
				2014	2013
Key actuarial assumptions used:				%	%

## i) Rate of Interest

Discount rate	9.05%	8.78%
Health Care Cost Inflation Rate	8.23%	7.67%
Net Effective Discount Rate	0.76%	1.03%

A discount rate of 9.05% per annum has been used. The corresponding index-linked yield at this term is 1.70%. These rates do not reflect any adjustment for taxation. These rates were deduced from the JSE Zero Coupon bond yield after the market close on 30 June 2014.

## ii) Mortality rates

The PA 90 ultimate table, rated down by 1 year of age was used by the actuaries.

## iii) Normal retirement age

It has been assumed that in-service members will retire at age 60, which then implicitly allows for expected rates of early and ill-health retirement.

THEEWATERSKLOOF MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014

4	<b>EMPLOYEE BENEFITS (CONTINUE)</b>	<b>2014</b>	<b>2013</b>
		<b>R</b>	<b>R</b>
	The amounts recognised in the Statement of Financial Position are as follows:		
	Present value of fund obligations	39 370 907	31 670 577
	<b>Net liability</b>	<b>39 370 907</b>	<b>31 670 577</b>
	Reconciliation of present value of fund obligation:		
	Present value of fund obligation at the beginning of the year	31 670 577	29 679 626
	Total expenses	3 517 312	3 354 913
	Current service cost	1 948 763	2 105 785
	Interest Cost	2 733 505	2 314 910
	Benefits Paid	(1 164 956)	(1 065 782)
	Actuarial loss	4 183 018	(1 363 962)
	Present value of fund obligation at the end of the year	39 370 907	31 670 577
	<u>Less:</u> Transfer of Current Portion - Note 7	(1 210 044)	(1 096 752)
	<b>Balance 30 June</b>	<b>38 160 863</b>	<b>30 573 825</b>

**Sensitivity Analysis on the Accrued Liability**

Assumption	In-service members liability	Continuation members liability	Total liability (Rm)
Central Assumptions	17 485 290	16 875 163	34 360 453

The effect of movements in the assumptions are as follows:

Assumption	Change	In-service members liability (R)	Continuation members liability (R)	Total liability (R)	% change
Health care inflation	1%	26 620 000	18 730 000	45 350 000	15%
Health care inflation	-1%	18 944 000	15 275 000	34 219 000	-13%
Discount Rate	1%	18 621 000	15 299 000	33 920 000	-14%
Discount Rate	-1%	27 544 000	18 734 000	46 278 000	18%
Post-retirement mortality	-1 year	23 262 000	17 567 000	40 829 000	4%
Average retirement age	-1 year	24 575 000	16 875 000	41 450 000	5%
Continuation of membership at retirement	-10%	17 505 000	16 875 000	34 380 000	-13%

Assumption	Change	Current-service Cost (R)	Interest Cost (R)	Total (R)	% change
Central Assumption		1 948 800	2 733 500	4 682 300	
Health care inflation	1%	2 307 800	3 139 200	5 447 000	16%
Health care inflation	-1%	1 640 400	2 390 000	4 030 400	-14%
Post-retirement mortality	-1 year	2 011 100	2 833 900	4 845 000	3%
Average retirement age	-1 year	2 211 600	2 873 300	5 084 900	9%
Withdrawal Rate	-50%	2 309 000	2 936 000	5 245 000	12%

**4.2 Long Service Bonuses**

The Long Service Bonus plans are defined benefit plans.

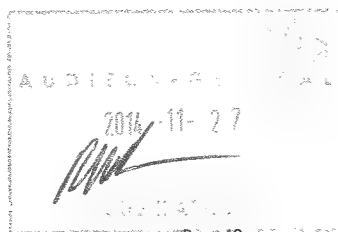
As at year end, the following number of employees were eligible for Long Service Bonuses.

	576	565
Key actuarial assumptions used:	<b>2014</b>	<b>2013</b>
	<b>%</b>	<b>%</b>
i) Rate of interest		
Discount rate	8.11%	7.50%
General Salary Inflation (long-term)	7.21%	6.85%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	0.84%	0.61%

The discount rate of 8,11% per annum has been used. This is derived by using a liability-weighted average of the yields corresponding to the average term until payment of long service awards, for each employee. The corresponding liability-weighted index-linked yield is 1,32%. These rates do not reflect any adjustment for taxation. These rates were deduced from the Johannesburg Stock Exchange (JSE) Zero Coupon bond yield after the market close on 30 June 2014.

The amounts recognised in the Statement of Financial Position are as follows:

Present value of fund obligations	4 990 435	4 565 521
<b>Net liability</b>	<b>4 990 435</b>	<b>4 565 521</b>



THEEWATERSKLOOF MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014

4 EMPLOYEE BENEFITS (CONTINUE)

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2014 R	2013 R	2012 R	2011 R	2010 R
Total Liability		4 565 521	3 890 156	3 252 067	2 654 371
Experience adjustments were calculated as follows:	2014 R	2013 R	2012 R	2011 R	2010 R
Liabilities: (Gain) / loss	(63 677)	(246 582)	21 373	(25 172)	-
Assets: Gain / (loss)			-	-	-

Reconciliation of present value of fund obligation:	2014 R	2013 R
Present value of fund obligation at the beginning of the year	4 565 521	3 890 156
Total expenses	591 717	418 703
Current service cost	606 655	542 491
Interest Cost	328 770	248 177
Benefits Paid	(343 708)	(371 965)
Actuarial loss	(166 803)	256 662
Present value of fund obligation at the end of the year	4 990 435	4 565 521
Less: Transfer of Current Portion - Note 7	(418 078)	(373 766)
Balance 30 June	4 572 357	4 191 755

Sensitivity Analysis on the Unfunded Accrued Liability

Assumption	Change	Liability (Rm)	% change
Central assumptions		4 990	
General salary inflation	1%	5 372	8%
General salary inflation	-1%	4 649	-7%
Discount Rate	1%	4 634	-7%
Discount Rate	-1%	5 396	8%
Average retirement age	-2 yrs	4 204	-16%
Average retirement age	2 yrs	5 644	13%
Withdrawal rates	-50%	6 278	26%

4.3 Retirement funds

CAPE JOINT PENSION FUND

The Municipality requested detailed employee and pensioner information as well as information on the Municipality's share of the Pension and Retirement Funds' assets from the fund administrator. The fund administrator confirmed that assets of the Pension and Retirement Funds are not split per participating employer. Therefore, the Municipality is unable to determine the value of the plan assets as defined in GRAP 25.

As part of the Municipality's process to value the defined benefit liabilities, the Municipality requested pensioner data from the fund administrator. The fund administrator claim that the pensioner data to be confidential and were not willing to share the information with the Municipality. Without detailed pensioner data the Municipality was unable to calculate a reliable estimate of the accrued liability in respect of pensioners who qualify for a defined benefit pension.

Therefore, although the Cape Joint Retirement Fund is a Multi Employer fund defined as defined benefit plan, it will be accounted for as defined contribution plan. All the required disclosure has been made as defined in GRAP 25.31.

CAPE RETIREMENT FUND

The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2013 revealed that the fund is in a sound financial position with a funding level of 105.1% (30 June 2012 - 108.0%).

CAPE JOINT PENSION FUND

The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2013 revealed that the fund is in a sound financial position with a funding level of 99.7% (30 June 2012 - 99.4%).

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## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014

## 4 EMPLOYEE BENEFITS (CONTINUE)

DEFINED CONTRIBUTION FUNDS

Council contribute to the Municipal Council Pension Fund, SALA Pension Fund and SAMWU National Provident Fund which are defined contribution funds. The retirement benefit fund is subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs.

## 5 NON-CURRENT PROVISIONS

Provision for Rehabilitation of Landfill-sites

Total Non-current Provisions

Landfill Sites

Balance 1 July

Contribution for the year

Total provision 30 June

Less: Transfer of Current Portion to Current Provisions - Note 8

Balance 30 June

2014  
R

2013  
R

25 965 070

24 980 081

25 965 070

24 980 081

24 980 081

23 898 119

984 989

1 081 963

25 965 070

24 980 081

-

-

25 965 070

24 980 081

The municipality did not, as yet, rehabilitate any of its Landfill sites which are full, neither budgeted for the outflows in the Medium Term Revenue and Expenditure Framework. All Landfill Sites are fully contaminated, although not fully utilised. The provision is in respect of the rehabilitation costs of all contaminated areas.

## 6 CONSUMER DEPOSITS

Water & Electricity

Total Consumer Deposits

Guarantees held in lieu of Electricity and Water Deposits

3 659 875

3 306 227

3 659 875

3 306 227

219 717

238 217

The fair value of consumer deposits approximate their carrying value. Interest are not paid on these amounts.

## 7 CURRENT EMPLOYEE BENEFITS

Current Portion of Post Retirement Benefits - Note 4

Current Portion of Long-Service Provisions - Note 4

Staff Leave

Performance Bonuses

Annual Bonuses

Compensation for injuries on duty contribution

Pension

Group Insurance

Total Current Employee Benefits

2014  
R

2013  
R

1 210 044

1 096 752

418 078

373 766

8 405 940

7 794 181

653 354

484 953

2 967 709

2 734 793

-

-

52 274

74 000

190 437

141 864

13 897 836

12 700 308

The movement in current employee benefits are reconciled as follows:

Staff Leave

Balance at beginning of year

Contribution / (reversal) for the year - Note 30

Expenditure incurred

Balance at end of year

7 794 181

10 482 871

1 328 584

(1 657 061)

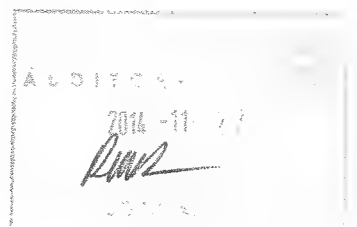
(716 825)

(1 031 630)

8 405 940

7 794 181

Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave. There is no possibility of reimbursement.



THEEWATERSKLOOF MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014

7	CURRENT EMPLOYEE BENEFITS (CONTINUED)	2014 R	2013 R
	<u>Performance Bonuses</u>		
	Balance at beginning of year	484 953	579 733
	Contribution / (reversal) for the year	782 790	462 172
	Expenditure incurred	(614 389)	(556 953)
	Balance at end of year	<u>653 354</u>	<u>484 953</u>
	Performance bonuses are being paid to the Municipal Manager and Directors after an evaluation of performance by the council. There is no possibility of reimbursement.		
	<u>Annual Bonuses</u>		
	Balance at beginning of year	2 734 793	2 584 120
	Contribution for the year	6 305 337	5 657 238
	Expenditure incurred	(6 072 421)	(5 506 565)
	Balance at end of year	<u>2 967 709</u>	<u>2 734 793</u>
	Annual bonuses are being paid as a 13th cheque in November of each year. There is no possibility of reimbursement.		
	<u>Compensation for injuries on duty contribution</u>		
	Balance at beginning of year	-	810 366
	Contribution for the year	-	210 089
	Expenditure incurred	-	(1 020 455)
	Balance at end of year	<u>-</u>	<u>-</u>
	The compensation for injuries on duty contribution represents, if the municipality had a current liability, the portion that has not yet been paid over to the relevant authorities.		
	<u>Pension</u>		
	Balance at beginning of year	74 000	128 604
	Expenditure incurred	(21 726)	(54 604)
	Balance at end of year	<u>52 274</u>	<u>74 000</u>
	Pension payments to staff who did not belong to a pension fund in 1994, according to a formula prescribed by a collective agreement. Payment of the amount will occur when respective employees retire. There is no possibility of reimbursement.		
	<u>Group Insurance</u>		
	Fair Value at beginning of year	141 864	114 781
	Fair Value adjustment during the year.	48 573	27 083
	Fair value at end of year	<u>190 437</u>	<u>141 864</u>
	Shares accruing and to be apportioned to staff contributing to the Sanlam Group insurance scheme. The timing of the payment is uncertain. The possibility of reimbursement is being investigated.		
8	PROVISIONS		
	Current Portion of Rehabilitation of Landfill-sites - Note 5	<u>-</u>	<u>-</u>
	Total Provisions	<u>-</u>	<u>-</u>

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## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014

## 9 PAYABLES FROM EXCHANGE TRANSACTIONS

Trade Payables	19 156 861	23 478 357
Interest Accrued	1 308 374	1 374 789
Payments received in advance	2 490 201	2 915 874
Prepaid unused electricity units	680 794	527 699
Retentions	14 789 954	10 270 477
Sundry Deposits	829 655	942 240
Land Sales deposits	132 296	155 147
<b>Total Trade Payables</b>	<b>39 388 135</b>	<b>39 664 583</b>

Payables are being recognised net of any discounts.

Payables are being paid within 30 days as prescribed by the MFMA. Payables are being recognised net of any discounts. The municipality did not default on any of its obligations.

The carrying value of trade and other payables approximates its fair value.

Sundry deposits include Hall, Builders and Housing Deposits.

## 10 UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS

<b>Unspent Grants</b>	823 297	4 667 034
National Government Grants	157 568	956 572
Provincial Government Grants	320 236	3 245 700
Other Grant Providers	345 493	464 762
<b>Less: Unpaid Grants</b>	6 313 484	2 377 909
National Government Grants	108 727	2 153 027
Provincial Government Grants	6 204 757	224 882
<b>Total Conditional Grants and Receipts</b>	<b>(5 490 187)</b>	<b>2 289 126</b>

See appendix "D" for reconciliation of grants from other spheres of government. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. An amount of R76 000 was withheld from the Equitable Share for an prior period unspent balance of the Neighbourhood Development Program Grant.

Unspent grants can mainly be attributed to projects that are work in progress on the relevant financial year-ends.

## 11 UNSPENT PUBLIC CONTRIBUTIONS

	2014 R	2013 R
HAN - Hogeschool van Arnhem en Nijmegen	222 011	227 349
IDC - Industrial Development Corporation	266 388	634 772
<b>Total Unspent Public Contributions</b>	<b>488 399</b>	<b>862 120</b>
<b>Reconciliation of public contributions</b>		
<b>HAN</b>		
Opening balance	227 349	167 235
Contributions received	925 329	897 464
Conditions met - Transferred to revenue	(930 666)	(837 350)
Closing balance	222 011	227 349

The grant is for the upliftment of previously disadvantaged communities

**Industrial Development Corporation**

Opening balance	634 772	-
Contributions received	-	800 000
Conditions met - Transferred to revenue	(368 384)	(165 228)
Closing balance	266 388	634 772

The grant is for the promotion of local economic development and tourism.

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THEEWATERSKLOOF MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014

12 TAXES

12.1 VAT PAYABLE

VAT Payable	8 170 659	11 720 681
Less: Contribution to provision for impairment of trade receivables from exchange transactions	(6 815 167)	(10 083 725)
Vat payable	<u>1 355 492</u>	<u>1 636 956</u>

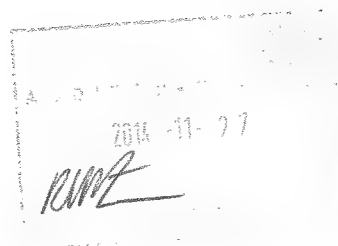
12.2 VAT RECEIVABLE

VAT Receivable	1 219 981	4 940 903
Total VAT receivable	<u>1 219 981</u>	<u>4 940 903</u>

12.3 NET VAT RECEIVABLE/(PAYABLE)

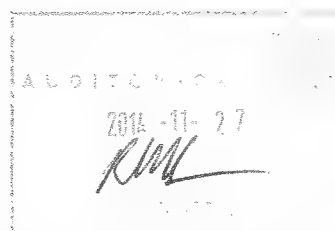
<u>(135 512)</u>	<u>3 303 947</u>
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VAT is receivable/payable on the cash basis.



13 PROPERTY, PLANT AND EQUIPMENT

See attached sheet





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## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014

13	<b>PROPERTY, PLANT AND EQUIPMENT (CONTINUED)</b>	<b>2014 R</b>	<b>2013 R</b>
	<b>Assets pledged as security:</b>		
	No property, plant and equipment, save for those financed from finance leases, are pledged as security for finance.		
	<b>Third party payments received for losses incurred:</b>		
	Payments received (Excluding VAT)	226 910	401 174
	Surplus/Deficit	<u>226 910</u>	<u>401 174</u>
	<b>Impairment of property plant and equipment for the year</b>		
	Impairment charges on Property, plant and equipment recognised in statement of financial performance.		
	Land and Buildings	8 643 050	7 576 531
		<u>8 643 050</u>	<u>7 576 531</u>
	The current economic climate with resultant declining property values is the main reason for impairment charges.		
	Fair value of Land and Buildings was determined by a registered Valuator - Mr W.M. De Kock of W.M. de Kock and Associates. The method used for determining the open market value of the improvements is the accrued depreciation method of valuation. Accrued depreciation is a loss in value from the replacement cost of improvements due to physical deterioration, functional obsolescence and external obsolescence. After identifying and measuring the separate elements of the accrued depreciation, the value of the applicable type of depreciation are deducted from the replacement cost of the improvements.		
		<b>2014 R</b>	<b>2013 R</b>
	<b>Fully Depreciated assets still in use were as follows:</b>	<u>98 000</u>	<u>18 000</u>
	<b>Carrying value of property plant and equipment in the course of construction:</b>	<u>47 749 490</u>	<u>52 261 422</u>
	<b>Reconciliation of revaluation surplus:</b>		
	Opening balance	41 091 455	11 422 657
	Movement for the period	40 183 987	29 668 798
	Closing balance	<u>81 275 442</u>	<u>41 091 455</u>
14	<b>CAPITALISED RESTORATION COST</b>	<b>2014 R</b>	<b>2013 R</b>
	<b>Net Carrying amount at 1 July</b>	<b>136 945</b>	<b>186 592</b>
	Cost	3 432 613	3 432 613
	Accumulated Depreciation	(3 212 825)	(3 166 855)
	Accumulated Impairments	(82 843)	(79 166)
	Depreciation for the year	(45 223)	(45 970)
	Impairment for the year	(2 359)	(3 677)
	<b>Net Carrying amount at 30 June</b>	<b>89 363</b>	<b>136 945</b>
	Cost	3 432 613	3 432 613
	Accumulated Depreciation	(3 258 049)	(3 212 825)
	Accumulated Impairments	(85 202)	(82 843)

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## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014

15	INVESTMENT PROPERTY	2014 R	2013 R
	Net Carrying amount at 1 July	145 291 764	218 290 999
	Cost - Balance previously reported	145 291 764	204 491 260
	Correction of error - Note 40.02	-	13 799 739
	Disposals	(1 065 885)	(8 942 920)
	Fair Value Adjustments - Impairment	(13 851 629)	(86 571 939)
	Revaluation increase	28 138 564	22 515 624
	Net Carrying amount at 30 June	158 512 813	145 291 764
	Cost	158 512 813	145 291 764

There are no restrictions on the realisability of Investment Property or the remittance of revenue and proceeds of disposal. There are no investment properties pledged as security for liabilities.

There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

Fair value of Land and Buildings was determined by a registered Valuator - Mr W.M. De Kock of W.M. de Kock Associates. The method used for determining the open market value of the improvements is the accrued depreciation method of valuation. Accrued depreciation is a loss in value from the replacement cost of improvements due to physical deterioration, functional obsolescence and external obsolescence. After identifying and measuring the separate elements of the accrued depreciation, the value of the applicable type of depreciation are deducted from the replacement cost of the improvements.

Revenue derived from the rental of investment property	1 915 855	2 666 076
Operating expenditure incurred on all municipal properties	7 179 996	5 085 536

16	INTANGIBLE ASSETS		
	Computer Software		
	Net Carrying amount at 1 July	1 892 950	2 126 200
	Cost	3 197 698	3 119 145
	Accumulated Amortisation	(1 304 749)	(992 946)
	Additions	-	78 553
	Amortisation	(319 564)	(311 803)
	Net Carrying amount at 30 June	1 573 385	1 892 950
	Cost	3 197 698	3 197 698
	Accumulated Amortisation	(1 624 313)	(1 304 749)

The following material intangible assets are included in the carrying value above

Description	Remaining Amortisation Period	Carrying Value	
		2014 R	2013 R
Computer software	9 years	1 573 385	1 892 950

No intangible asset were assed having an indefinite useful life.

There are no internally generated intangible assets at reporting date.

There are no intangible assets whose title is restricted.

There are no intangible assets pledged as security for liabilities

There are no contractual commitments for the acquisition of intangible assets.

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THEEWATERSKLOOF MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014

17 HERITAGE ASSETS

The municipality has four registered Heritage Assets, however, the principal usage of the assets is that of service delivery and is therefore recognised in Property, Plant and Equipment. The assets are as follows:

	Recognised as :	2014 R	2013 R
Erf 614, Caledon - Utilised as the Town Hall	Property, Plant and Equipment	7 317 300	6 369 300
Erven 12 and 14 - Villiersdorp - Utilised as a Restaurant.	Investment Properties	3 037 000	1 386 000
Bridge at Meul Street, Caledon	Property, Plant and Equipment	3 527	3 527
Bridge at Farm 39, Genadendal	Property, Plant and Equipment	1 481	1 481

There are no contractual obligations to purchase, construct or develop Heritage Assets or for repairs, maintenance or enhancements.

There are no Heritage Assets pledged as security for liabilities

There were no third party payments received for losses and impairments incurred.

18 LONG-TERM RECEIVABLES

	2014 R	2013 R
Officials' Housing Loans - At amortised cost	29 286	34 282
Sport Club and Other Loans - At amortised cost	-	-
Correction of error - Transfer from receivables from exchange transactions - Note 40.03	1 064 167	975 301
Correction of error - Transfer from receivables from non-exchange transactions - Note 40.03	2 024 285	4 119 951
	<u>3 117 738</u>	<u>5 129 534</u>
<b>Less:</b> Unamortised Discount on Loans	-	(4 524)
Balance 1 July	(4 524)	(5 735)
Adjustment for the period	4 524	1 211
<b>Less:</b> Current portion transferred to current receivables	(5 429)	(5 356)
Officials Housing Loans - At amortised cost	(5 429)	(5 356)
<b>Less:</b> Transfers to exchange and non-exchange receivables	(1 475 826)	(2 897 310)
Transfer to receivables from exchange transactions - restated 2013 - Note 40.03	(445 778)	(523 980)
Transfer to receivables from non-exchange transactions - restated 2013 - Note 40.03	(1 030 048)	(2 373 330)
<b>Less:</b> Allowance for doubtful debts	(1 612 626)	(2 197 942)
Allowance for doubtful debts on exchange transactions - restated 2013 - Note 40.03	(618 389)	(451 321)
Allowance for doubtful debts on non-exchange transactions - restated 2013 - Note 40.03	(994 237)	(1 746 621)
<b>Total Long Term Receivables</b>	<u><u>23 857</u></u>	<u><u>24 402</u></u>

Reconciliation of Provision for Bad Debts

Balance at beginning of year	2 197 942	-
Contribution to provision	-	-
Transfer from long-term receivables - restated 2013 - Note 40.03	(585 315)	2 197 942
Bad Debts Written Off	-	-
<b>Balance at end of year</b>	<u><u>1 612 626</u></u>	<u><u>2 197 942</u></u>

HOUSING LOANS

Housing loans are not granted to officials of the municipality. The outstanding amount relates to prior years and is still collectable. Staff were entitled to housing loans which attract interest at 3-10% per annum and which are repayable over a maximum period of 20 years. These loans are repayable up to the year 2020.

Balances of debtors with arrangements to pay off old debt for longer than 1 period are transferred from current receivables to long-term receivables. Due to the low level of payments and consistent with the accounting policy, all these debtors are impaired.

All remaining amounts are collectable.

19 INVENTORY

Maintenance Materials - At cost	1 884 068	1 580 467
Water – at cost	398 183	341 058
<b>Total Inventory</b>	<u><u>2 282 251</u></u>	<u><u>1 921 526</u></u>

A reconciliation of water losses is included in Note 45.4

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## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014

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## RECEIVABLES FROM EXCHANGE TRANSACTIONS

	2014 R	2013 R
Electricity	6 012 971	9 506 842
Water	28 799 265	39 765 137
Balance previously reported	-	38 864 981
Correction of error - Water sales not previously recognised - Note 40.05	-	(209 123)
Correction of error - Water sales not previously recognised 2011/2012 - Note 40.05	-	1 109 280
Refuse	23 800 363	30 659 040
Sewerage	19 531 844	26 446 989
Balance previously reported	-	27 064 562
Correction of 2011/2012 Industrial Effluent payment on levy - Note	-	(617 573)
Other	5 466 781	5 918 460
<b>Total Receivables from Exchange Transactions</b>	<b>82 992 835</b>	<b>111 845 148</b>
Total Receivables from Exchange Transactions - Previously Reported	83 611 224	112 296 469
Transfer to long-term receivables - restated 2013 - Note 40.05	(1 064 167)	(975 301)
Transfer from long-term receivables transactions - restated 2013 - Note 40.05	445 778	523 980
<b>Less: Allowance for Doubtful Debts</b>	<b>(70 715 230)</b>	<b>(96 426 134)</b>
Allowance for Doubtful Debts - Previously Reported	-	(96 877 455)
Transfer to long-term receivables - restated 2013 - Note 40.05	-	451 321
<b>Total Net Receivables from Exchange Transactions</b>	<b>12 277 605</b>	<b>15 419 014</b>

Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other receivables on initial recognition is not deemed necessary in terms of IGRAP1.

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

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## RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Rates	27 222 394	22 111 576
Other Receivables	4 389 343	5 479 532
Accrued Fines	22 808 670	4 342 950
Accrued Fines - Balance previously reported	-	1 825 044
Correction of fines not previously recognised - Note 40.06	-	2 517 906
<b>Total Receivables from Non-Exchange Transactions</b>	<b>53 426 170</b>	<b>30 187 437</b>
Total Receivables from Non-Exchange Transactions - Previously Reported	54 420 407	31 934 058
Transfer to long-term receivables - restated 2013 - Note 40.06	(2 024 285)	(4 119 951)
Transfer from long-term receivables transactions - restated 2013 - Note 40.06	1 030 048	2 373 330
<b>Less: Allowance for Doubtful Debts</b>	<b>(37 959 167)</b>	<b>(18 507 746)</b>
Allowance for Doubtful Debts - Previously Reported	-	(20 254 367)
Transfer to long-term receivables - restated 2013 - Note 40.06	-	1 746 621
<b>Total Net Receivables from Non-Exchange Transactions</b>	<b>15 467 002</b>	<b>11 679 691</b>

Ageing of receivables

Current (0 - 30 days)	19 360 561	10 731 901
1 to 3 months	15 001 215	10 072 299
Longer than 3 months	102 057 227	121 228 385
<b>Total</b>	<b>136 419 004</b>	<b>142 032 585</b>

## Reconciliation of Provision for Bad Debts

Balance at beginning of year	114 933 880	104 517 042
Contribution to provision	47 239 932	24 139 487
Transfer to longterm receivables - restated 2013 - Note 40.06	585 315	(2 197 942)
Bad Debts Written Off	(54 084 731)	(11 524 708)
<b>Balance at end of year</b>	<b>108 674 397</b>	<b>114 933 880</b>
<b>Balances past due not impaired:</b>	<b>7 226 049</b>	<b>7 060 789</b>

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## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014

## 21 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (CONTINUED)

Rates debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of rates debtors are not performed in terms of GRAP 104 on initial recognition.

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

	2014 R	2013 R
<b>22 OPERATING LEASE ARRANGEMENTS</b>		
<b>22.1 The Municipality as Lessor (Asset)</b>		
Balance on 1 July	442 097	272 777
Movement during the year	47 155	169 320
<b>Balance on 30 June</b>	<b>489 252</b>	<b>442 097</b>
At the Statement of Financial Position date, where the municipality acts as a lessor under operating leases, it will receive operating lease income as follows:		
Up to 1 Year	761 233	761 952
1 to 5 Years	1 716 858	2 345 856
More than 5 Years	1 694 541	1 826 775
<b>Total Operating Lease Arrangements</b>	<b>4 172 632</b>	<b>4 934 584</b>

Theewaterskloof Municipality is leasing a number of land and some buildings to different rate payers for periods ranging from 2 to 99 years, with escalations of between 1% and 12% per year.

This lease income was determined from contracts that have a specific conditional income and does not include lease income which has a undetermined conditional income.

The leases are in respect of land and buildings being leased out for periods ranging until 2094

The municipality does not engage in any sub-lease arrangements.

The municipality did not receive any contingent rent during the year

## 23 CASH AND CASH EQUIVALENTS

Assets

Call Investments Deposits	26 967 406	20 739 868
Primary Bank Account	11 240 631	6 794 698
Cash Floats	10 350	10 350
<b>Total Cash and Cash Equivalents - Assets</b>	<b>38 218 387</b>	<b>27 544 916</b>

Cash and cash equivalents comprise cash held and short term deposits. The carrying amount of these assets approximates their fair value. Outstanding deposits and outstanding cheques at year-end are recognised as part of cash and cash equivalents.

The municipality has one guarantee of R15 000 in the name of the beneficiary, Eskom.

An amount of R 430 224 (2013: R 430 224), included in Call Investment Deposits above, is invested in an institution which is under curatorship. The curators are encashing property developments financed by the investment company before distribution of funds will continue, however it is expected significant capital losses will be incurred. The dates of any possible future cashflows are not known at the reporting date and the full amount has been impaired due to the uncertainty of collectability.

The municipality has the following bank accounts:

Current Accounts

Caledon ABSA - Account Number 405 7866 237 (Primary Bank Account):	11 240 631	6 794 698
	<b>11 240 631</b>	<b>6 794 698</b>

Traffic account is cleared daily to Primary Bank Account.

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THEEWATERSKLOOF MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014

23	CASH AND CASH EQUIVALENTS (CONTINUED)	2014 R	2013 R
	<i>Caledon ABSA - Account Number 405 7866 237 (Primary Bank Account):</i>		
	Cash book balance at beginning of year	6 794 698	6 365 123
	Cash book balance at end of year	11 240 631	6 794 698
	Bank statement balance at beginning of year	6 622 653	6 016 898
	Bank statement balance at end of year	10 787 694	6 622 653

The municipality has a standing overdraft limit of R2 500 000 at ABSA Bank.

Call Investment Deposits

Call investment deposits consist out of the following accounts:

Interneuron Capital Ltd	CA 002	Notice deposit	430 224	430 224
ABSA	9095225460	Notice deposit	24 676 960	18 598 079
ABSA	90 8877 0478	Redemption Fund	2 100 009	1 999 925
Saniam		Shares Investment	190 437	141 864
Less: Provision for impairment			(430 224)	(430 224)
			26 967 406	20 739 868

24	PROPERTY TAXES		
	<u>Actual</u>		
	Rateable Land and Buildings	59 515 681	49 680 040
	Residential, Commercial Property, State	59 515 681	49 680 040
	Less: Rebates	(842 679)	(2 073 423)
	Total Assessment Rates	58 673 002	47 606 616

Valuations - 1 JULY 2013

	2014 R	2013 R
Rateable Land and Buildings		
Residential	4 504 919 300	3 869 478 500
Business & Commercial	1 155 116 000	704 819 000
Public benefit Organizations	119 162 500	227 207 500
State-owned	350 921 500	132 607 000
Agricultural	7 980 832 500	4 050 564 500
Other	238 314 500	229 646 000
Total Assessment Rates	14 349 266 300	9 214 322 500

Valuations on land and buildings are performed every four years. The last valuation came into effect on 1 July 2013.

Rebates were granted on land with buildings used solely for dwellings purposes as follows: Residential

- The first R15 000 on the valuation is exempted.

- A further R85 000 on the valuation are exempt from property rates for all those households earning less than R4 501. (This exemption is also applicable to persons older than 60 and earning between R4 501 and R6 001).

**Rates:**

Residential	0.650 c/R	0.68 c/R
Commercial	1.450 c/R	1.36 c/R
Agricultural	0.137 c/R	0.17 c/R

Rates are levied annually and monthly. Monthly rates are payable by the 25th of the following month and annual rates are payable before 30 September. Interest is levied at the prime rate plus 1% on outstanding monthly rates.

Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

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## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014

25	GOVERNMENT GRANTS AND SUBSIDIES	2014 R	2013 R
	Unconditional Grants	57 262 000	53 343 000
	Equitable Share	57 262 000	53 343 000
	Conditional Grants	97 349 729	92 780 243
	EPWP	1 770 530	1 159 737
	National Electrification Program	-	3 000 000
	Municipal Infrastructure Grant	24 800 570	28 092 338
	MSIG Funds	857 855	940 872
	Finance Management Grant	1 249 208	1 640 849
	Neighbourhood Development Program Grant	904	1 795 824
	Regional Bulk Infrastructure Grant	5 720 274	10 500 000
	Spatial Development Framework	30 469	-
	Botrivier Development Contribution	38 889	-
	Public Infrastructure Grant	-	1 500 000
	Development of Recreational Facilities	-	144 000
	CDW's	166 064	142 306
	Project Preparation	69 400	-
	Housing	52 357 867	37 308 218
	Finance Management Support Grant	600 000	-
	Multi Purpose Bus	62 102	-
	Thusong Multi Purpose Centre	2 500 000	-
	Main Roads Subsidy	74 000	108 000
	Library Subsidy	6 250 740	5 671 000
	Impound Facility	450 000	-
	DBSA GIS	943	-
	DBSA Local Economic Development	118 326	368 427
	SETA	231 587	408 673
	<b>Total Government Grants and Subsidies</b>	<b>154 611 729</b>	<b>146 123 243</b>

The municipality does not expect any significant changes to the level of grants.

Revenue recognised per vote as required by Section 123 (c) of the MFMA

Equitable share	57 262 000	53 343 000
Executive & Council	1 973 092	2 236 356
Finance & Administration	89 040 321	84 252 460
Planning & Development	118 326	368 427
Community & Social Services	6 150 423	5 671 000
Sport & Recreation	-	144 000
Road Transport	67 566	108 000
	<b>154 611 729</b>	<b>146 123 243</b>

#### 25.01 Equitable share

Opening balance	-	-
Grants received	57 262 000	53 343 000
Conditions met - Transferred to revenue	(57 262 000)	(53 343 000)
Conditions still to be met	-	-

The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.

All registered indigents receive a monthly subsidy as per approved budget, funded from this grant. Indigent subsidies is based on the cost of free basic services of R420.57 per month (2013: R382.56)

#### 25.02 EPWP

Opening balance	770 530	936 267
Grants received	1 000 000	994 000
Conditions met - Transferred to revenue	(1 770 530)	(1 159 737)
Conditions still to be met	-	770 530

To extend services to communities through a nationally co-ordinated approach.

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*[Signature]*



## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014

25	GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)	2014 R	2013 R
25.03	<b>National Electrification Program</b>		
	Grants received	-	3 000 000
	Conditions met - Transferred to revenue	-	(3 000 000)
	Conditions still to be met	-	-
	To implement the Programme (INEP) by providing capital subsidies to municipalities to address the electrification backlog of permanently occupied residential dwellings, the installation of bulk infrastructure and rehabilitation and refurbishment of electricity infrastructure, in order to improve the quality of supply.		
25.04	<b>Municipal Infrastructure Grant</b>		
	Opening balance	109 138	2 027 476
	Grants received	24 849 000	26 174 000
	Conditions met - Transferred to revenue	(24 800 570)	(28 092 338)
	Conditions still to be met	157 568	109 138
	The grant was used to construct roads, water and sewerage infrastructure as part of the upgrading of informal settlement areas (included in roads and sewerage votes in Appendix B). No funds have been withheld.		
25.05	<b>MSiG Funds</b>		
	Opening balance	(140 872)	-
	Grants received	890 000	800 000
	Conditions met - Transferred to revenue	(857 855)	(940 872)
	Grant expenditure to be recovered	(108 727)	(140 872)
	The MSiG was used for building in-house capacity to perform municipal functions and stabilise institutional and governance systems.		
25.06	<b>Finance Management Grant</b>		
	Opening balance	(250 792)	(109 943)
	Grants received	1 500 000	1 500 000
	Conditions met - Transferred to revenue	(1 249 208)	(1 640 849)
	Grant expenditure to be recovered	-	(250 792)
	The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary costs of the Financial Management Interns). No funds have been withheld.		
25.07	<b>Neighbourhood Development Program Grant</b>		
	Opening balance	76 904	1 872 728
	Conditions met - Transferred to revenue	(904)	(1 795 824)
	Grant withheld	(76 000)	-
	Conditions still to be met	-	76 904
	The NDPG is being utilised for development of economic nodes within previously disadvantaged areas. The amount of R76 000 was withheld from the Equitable Share.		
25.08	<b>Regional Bulk Infrastructure Grant</b>		
	Opening balance	(1 761 363)	-
	Grants received	7 481 637	8 738 637
	Conditions met - Transferred to revenue	(5 720 274)	(10 500 000)
	Grant expenditure to be recovered	-	(1 761 363)
	The grant is utilised to construct sewerage bulk infrastructure in Grabouw.		

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## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014

25	GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)	2014 R	2013 R
25.09	<b>Spatial Development Framework</b>		
	Opening balance	30 469	30 469
	Conditions met - Transferred to revenue	(30 469)	-
	Conditions still to be met	-	30 469
	The grant is utilised to develop and update a SDF for the municipality..		
25.10	<b>Botrivier Development Contribution</b>		
	Opening balance	38 889	38 889
	Conditions met - Transferred to revenue	(38 889)	-
	Conditions still to be met	-	38 889
	To obtain a policy for dealing with development applications and the payment of development contributions		
25.11	<b>CDW's</b>		
	Opening balance	144 840	98 146
	Grants received	131 200	189 000
	Conditions met - Transferred to revenue	(166 064)	(142 306)
	Conditions still to be met	109 977	144 840
	To provide financial assistance to municipalities to cover the operational costs pertaining to the functions of the community development workers including the regional coordinators.		
25.12	<b>Project Preparation</b>		
	Opening balance	69 400	69 400
	Conditions met - Transferred to revenue	(69 400)	-
	Conditions still to be met	-	69 400
	Development of project plans.		
25.13	<b>Housing</b>		
	Opening balance	(224 881)	1 484 615
	Grants received	46 377 991	35 598 721
	Conditions met - Transferred to revenue	(52 357 867)	(37 308 218)
	Grant expenditure to be recovered	(6 204 757)	(224 881)
	Provide housing to the indigents.		
25.14	<b>Financial Support Grant</b>		
	Opening balance	400 000	400 000
	Grants received	300 000	-
	Conditions met - Transferred to revenue	(600 000)	-
	Conditions still to be met	100 000	400 000
	The grant is intended to be utilised for the improvement of financial governance.		
25.15	<b>Multi Purpose Bus</b>		
	Opening balance	62 102	62 102
	Conditions met - Transferred to revenue	(62 102)	-
	Conditions still to be met	-	62 102
	The grant is intended to be utilised to purchase a bus.		
25.16	<b>Thusong Multi Purpose Centre</b>		
	Opening balance	2 500 000	-
	Grants received	-	2 500 000
	Conditions met - Transferred to revenue	(2 500 000)	-
	Conditions still to be met	-	2 500 000

THEEWATERSKLOOF MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014

		2014 R	2013 R
25	<b>GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)</b>		
25.17	<b>Public Infrastructure Grant</b>		
	Grants received	-	1 500 000
	Conditions met - Transferred to revenue	-	(1 500 000)
	Conditions still to be met	-	-
	The grant was utilised to implement the Public Transport Infrastructure Mobility Strategy.		
25.18	<b>Development of Recreational Facilities</b>		
	Grants received	-	144 000
	Conditions met - Transferred to revenue	-	(144 000)
	Conditions still to be met	-	-
	The grant was utilised to develop recreational facilities in the municipal area.		
25.19	<b>Main Roads Subsidy</b>		
	Grants received	74 000	108 000
	Conditions met - Transferred to revenue	(74 000)	(108 000)
	Conditions still to be met	-	-
	The subsidy is utilised for the maintenance of the provincial main roads which runs through the town centres.		
25.20	<b>Library Subsidy</b>		
	Grants received	6 361 000	5 671 000
	Conditions met - Transferred to revenue	(6 250 740)	(5 671 000)
	Conditions still to be met	110 260	-
	The subsidy is utilised for the operational costs of libraries which is a provincial function.		
25.21	<b>Other Grant Providers</b>		
	Opening balance	464 762	366 973
	Grants received	681 587	874 889
	Conditions met - Transferred to revenue	(800 856)	(777 100)
	Conditions still to be met	345 493	464 762
	Various grants were received from other spheres of government (e.g. DBSA and SETA)		
25.22	<b>Total Grants</b>		
	Opening balance	2 289 126	7 277 123
	Grants received	146 908 415	141 135 247
	Conditions met - Transferred to revenue	(154 611 729)	(146 123 243)
	Grants withheld	(76 000)	-
	Conditions still to be met/(Grant expenditure to be recovered)	(5 490 187)	2 289 126
	<u>Disclosed as follows:</u>		
	Unspent Conditional Government Grants and Receipts	823 297	4 667 034
	Unpaid Conditional Government Grants and Receipts	(6 313 484)	(2 377 909)
		(5 490 187)	2 289 126

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## THEEWATERSKLOOF MUNICIPALITY

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014

		2014 R	2013 R
26	<b>PUBLIC CONTRIBUTIONS AND DONATIONS</b>		
	Conditional Grants	1 299 050	1 002 578
	HAN - Students	930 666	837 350
	Industrial Development Corporation - Local Economic Development	368 384	165 228
	<b>Total Government Grants and Subsidies</b>	<b>1 299 050</b>	<b>1 002 578</b>
26.01	<b>HAN - Students</b>		
	Opening balance	227 349	167 235
	Grants received	925 329	897 464
	Conditions met - Transferred to revenue	(930 666)	(837 350)
	Conditions still to be met	<b>222 011</b>	<b>227 349</b>
	The grant gives students from abroad the opportunity to engage with community in upliftment of previously disadvantaged communities projects.		
26.02	<b>Industrial Development Corporation - Local Economic Development</b>		
	Opening balance	634 772	-
	Grants received	-	800 000
	Conditions met - Transferred to revenue	(368 384)	(165 228)
	Conditions still to be met	<b>266 388</b>	<b>634 772</b>
	The grant is for the promotion of local economic development and tourism.		
26.03	<b>Total Public Contributions and donations</b>		
	Opening balance	862 121	167 235
	Grants received	925 329	1 697 464
	Conditions met - Transferred to revenue	(1 299 050)	(1 002 578)
	Conditions still to be met/(Grant expenditure to be recovered)	<b>488 400</b>	<b>862 121</b>
27	<b>SERVICE CHARGES</b>		
	Electricity	64 593 922	60 368 740
	Water	37 086 939	34 904 479
	Refuse removal	20 722 658	18 459 864
	Sewerage and Sanitation Charges	19 983 180	18 025 288
	Other Service Charges	145 068	-
	<b>Total Service Charges</b>	<b>142 531 766</b>	<b>131 758 371</b>
28	<b>OTHER INCOME</b>		
	Plot Rental	36 448	69 271
	Building Plan fees	1 537 976	1 549 974
	Cemetery fees	476 821	439 931
	Valuation Certificates	221 314	181 499
	Vehicle Registration fees	523 611	360 268
	Sundry income	1 677 420	904 811
	<b>Total Other Income</b>	<b>4 473 590</b>	<b>3 505 755</b>
29	<b>FAIR VALUE ADJUSTMENTS</b>		
	Unamortised Discount - Interest	4 524	1 211
	Investment Property	28 138 564	22 515 624
		<b>28 143 088</b>	<b>22 516 835</b>

THEEWATERSKLOOF MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014

30

EMPLOYEE RELATED COSTS

	2014 R	2013 R
Salaries	80 082 313	74 059 042
Balance previously reported		72 041 528
Reclassification with regards to GRAP 1 section 103 - restated 2013 - Note 40.07		2 017 514
Overtime	2 990 667	2 143 598
Standby Allowances	1 274 794	1 055 139
Transport Allowance	5 062 642	4 745 827
Housing Subsidy	510 780	540 313
Other Allowance	993 843	453 595
Bonus	6 686 810	5 483 792
Group Insurance	1 456 593	1 485 411
Medical Aid Contribution	3 772 411	3 355 215
Pension Fund Contribution	13 182 611	11 968 813
Unemployment Fund	734 656	669 709
Leave Reserve Fund	1 328 584	(1 657 061)
Workmens Compensation Contributions	873 150	210 089
Contribution to provision - Long Service Awards	606 655	542 491
Contribution to provision - Post Retirement Medical	1 948 763	2 105 785
Post Retirement Finance Charges	3 062 275	2 563 087
<b>Total Employee Related Costs</b>	<b>124 567 548</b>	<b>109 724 843</b>

KEY MANAGEMENT PERSONNEL

Municipal Manager is appointed on a 7-year contract and the Director Technical Services on a 5 year contract. All other Directors are appointed on 10-year fixed contracts. There are no post-employment or termination benefits payable to them at the end of the contract period. Acting allowances are immaterial.

REMUNERATION OF KEY MANAGEMENT PERSONNEL

*Remuneration of the Municipal Manager - HSD Wallace*

Annual Remuneration	1 101 962	1 078 086
Car Allowance	125 641	125 641
Contributions to UIF, Medical and Pension Funds	90 472	32 656
Performance Bonuses	148 736	127 383
<b>Total</b>	<b>1 466 811</b>	<b>1 363 766</b>

*Remuneration of the Director Technical Services - C van Heerden*

Annual Remuneration	983 272	936 825
Car Allowance	120 000	120 000
Contributions to UIF, Medical and Pension Funds	23380.98	
Performance Bonuses	95 351	89 086
<b>Total</b>	<b>1 222 005</b>	<b>1 145 911</b>

*Remuneration of the Director Corporate Services - J Isaacs*

Annual Remuneration	889 353	846 270
Car Allowance	60 000	60 000
Contributions to UIF, Medical and Pension Funds	177 300	149 738
Performance Bonuses	105 946	79 188
<b>Total</b>	<b>1 232 599</b>	<b>1 135 196</b>

*Remuneration of the Director Development Services - MH Gxoyiya*

Annual Remuneration	797 464	935 872
Car Allowance	120 000	120 000
Contributions to UIF, Medical and Pension Funds	209 189	68 289
Performance Bonuses	74 162	
<b>Total</b>	<b>1 200 815</b>	<b>1 124 161</b>

*Remuneration of the Director Financial Services - D Louw (Pro-rata from 1 September 2012)*

Annual Remuneration	738 309	580 019
Car Allowance	108 000	90 000
Contributions to UIF, Medical and Pension Funds	163 941	121 647
Performance Bonuses	104 500	
<b>Total</b>	<b>1 114 750</b>	<b>791 666</b>

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## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014

## 30 EMPLOYEE RELATED COSTS (CONTINUE)

	2014 R	2013 R
<i>Remuneration of the Director Operational Services - J Barnard</i>		
Annual Remuneration	726 388	726 582
Car Allowance	62 428	62 428
Contributions to UIF, Medical and Pension Funds	223 716	159 946
Performance Bonuses	85 693	88 859
<b>Total</b>	<b>1 098 225</b>	<b>1 037 815</b>

## 31 REMUNERATION OF COUNCILLORS

Mayor	719 382	665 116
Deputy Mayor	579 638	533 849
Speaker	579 638	535 973
Mayoral Committee Members	2 179 176	2 014 320
Councillors	4 145 297	3 660 756
<b>Total Councillors' Remuneration</b>	<b>8 203 131</b>	<b>7 410 014</b>

*In-kind Benefits*

The Executive Mayor, Deputy Executive Mayor, Speaker and three mayoral committee members are full-time. They are provided with secretarial support and an office each at the cost of the Council.

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the Framework envisaged in section 219 of the Constitution, read with the Remuneration of Public Office Bearer's Act and the Minister of Provincial and Local Government's determination, in accordance with this Act. Disclosure of the remuneration of individual Councillors are considered immaterial.

H S D Wallace  
Municipal Manager

## 32 DEBT IMPAIRMENT

Receivables from exchange and non-exchange transactions - Note 21	47 239 932	22 703 381
<b>Total Contribution to Debt Impairment</b>	<b>47 239 932</b>	<b>22 703 381</b>

The contribution for debt impairment on exchange and non-exchange receivables decreased due to the write-off of old debt in the prior year. However, the prospective implementation of changes to IGRAP1 for non-exchange receivables resulted in the first time recognition for impairment on traffic fines.

Impairment of traffic fines included above: Note	<b>17 038 514</b>	
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## 33 DEPRECIATION AND AMORTISATION

Property Plant and Equipment	9 918 791	8 108 577
Capitalised restoration costs	45 223	45 970
Intangible Assets	319 564	311 803
	<b>10 283 579</b>	<b>8 466 350</b>

## 34 IMPAIRMENTS

Property Plant & Equipment (Non-cash generating)	8 678 050	3 269 241
Capitalised restoration costs (Cash generating assets)	2 359	3 677
Investment Property (Cash generating assets)	13 851 629	86 571 939
	<b>22 532 038</b>	<b>89 844 857</b>

The current economic climate with resultant declining property values is the main reason for impairment charges in the previous financial year.

## 35 FINANCE CHARGES

Long-term Liabilities	11 493 092	11 697 860
Non-current provisions	984 989	1 081 962
<b>Total finance charges</b>	<b>12 478 081</b>	<b>12 779 822</b>

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THEEWATERSKLOOF MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014

36	<b>BULK PURCHASES</b>	<b>2014 R</b>	<b>2013 R</b>
	Electricity	41 425 690	37 759 471
	Water	8 617 455	7 574 900
	<b>Total Bulk Purchases</b>	<b>50 043 145</b>	<b>45 334 371</b>
37	<b>GRANTS AND SUBSIDIES</b>	<b>2014 R</b>	<b>2013 R</b>
	Indigent Subsidies : Escom payments	823 890	782 625
	<b>Total Grants and Subsidies</b>	<b>823 890</b>	<b>782 625</b>
38	<b>OPERATING GRANT EXPENDITURE</b>		
	Operating grant expenditure per vote		
	Executive & Council	-	2 380 831
	Finance & Administration	-	6 673 397
	Planning & Development	-	533 656
	Total Operating grant expenditure balance previously reported		9 587 884
	Reclassification with regards to GRAP 1 section 103 - restated 2013 - Note 40.07		(9 587 884)
	<b>Total Operating grant expenditure</b>	<b>-</b>	<b>-</b>
39	<b>GENERAL EXPENSES</b>		
	Audit Fees	2 340 193	1 835 490
	Bank Charges	407 529	317 938
	Clean and Green Project	454 592	355 109
	Computer charges	183 617	182 222
	Fuel Cost	4 620 132	4 044 145
	Insurance	819 629	995 427
	Legal advice	912 992	354 557
	Material and protective clothing	1 403 670	1 387 654
	Membership fees	1 164 975	971 286
	Operating Grant Expenditure - Housing top structures	33 768 955	4 195 198
	Balance previously reported		-
	Reclassification with regards to GRAP 1 section 103 - restated 2013 - Note 40.07		4 195 198
	Postage	142 047	165 903
	Printing and stationery	730 852	591 469
	Quick Wins	530 192	806 993
	Electricity - Escom	5 776 070	5 158 109
	Refuse bags	462 828	513 942
	Sporting programs	-	144 000
	Skills development levy	1 013 081	919 171
	Telephone	1 774 307	2 342 527
	Training	1 082 761	821 300
	Travel and subsistence	418 622	542 556
	Ward Committee	302 195	195 282
	Water Purification	1 103 937	1 169 983
	Other	4 363 934	4 012 313
	Balance previously reported		2 727 165
	Reclassification with regards to GRAP 1 section 103 - restated 2013 - Note 40.07		1 285 148
	<b>General Expenses</b>	<b>63 777 110</b>	<b>32 022 574</b>

Operating Grant Expenditure include the Housing Grant which increase due to more top structures that was build within the financial year ending 30 June 2014 (R33 768 955) in relation the the amount at year end 30 June 2013 (R4 195 198).

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## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014

40	<b>CHANGE IN ACCOUNTING POLICY IN TERMS OF GRAP 3</b>	2013 R
	<b>CORRECTION OF ERROR IN TERMS OF GRAP 3</b>	
40.01	<b>Property Plant and Equipment</b>	
	<b>Balance previously reported</b>	554 230 172
	Correction of allocation interms of Investment Property and Property Plant and Equipment. With specific reference to Erf 709 Caledon, Erf 404 Riviersonderend & Erf 1014 Grabouw previously allocated to IP and now corrected to PPE- Notes 40.02 and 13	7 178 000
	Change in Fair Vlaue in term of prior year with specific reference to Erf 709 Caledon- Notes 40.04 and 13	37 000
	Correction of allocation interms of Investment Property and Property Plant and Equipment. With specific reference to Erf 1-B Caledon & Erf 136-A Caledon previously allocated to PPE and now corrected to IP- Notes 40.02 and 13	(11 640 542)
	Correction of Property previously cluster in terms of the mother erven currently individually identified and incorporated into the register along with previously omitted erven - Notes 40.04 and 13	6 766 553
	<b>Total</b>	<b>556 571 183</b>
40.02	<b>Investment property</b>	
	<b>Balance previously reported</b>	131 492 025
	Correction of allocation interms of Investment Property and Property Plant and Equipment. With specific reference to Erf 709 Caledon, Erf 404 Riviersonderend & Erf 1014 Grabouw previously allocated to IP and now corrected to PPE- Notes 40.01 and 15	(7 178 000)
	Correction of allocation interms of Investment Property and Property Plant and Equipment. With specific reference to Erf 1-B Caledon & Erf 136-A Caledon previously allocated to PPE and now corrected to IP- Notes 40.01 and 15	11 640 542
	Change in Fair Vlaue in term of prior year with specific reference to Erf 1-B & Erf 136-A Caledon- Notes 40.04 and 15	684 236
	Correction Property previously cluster in terms of the mother erven currently individually identified and incorporated into the register along with previously omitted erven - Notes 40.04 and 15	8 652 961
	<b>Total</b>	<b>145 291 764</b>
40.03	<b>Long-term Receivables</b>	
	<b>Balance previously reported</b>	24 402
	Correction of error - Transfer from receivables from exchange transactions - Note 18 and 40.05	975 301
	Correction of error - Transfer from receivables from non-exchange transactions - Note 18 and 40.06	4 119 951
	Correction of error - Transfer to receivables from exchange transactions - Note 18	(523 980)
	Correction of error - Transfer to receivables from non-exchange transactions - Note 18	(2 373 330)
	Correction of error - Less: Allowance for doubtful debts on non-exchange transactions - Note 18 and 40.05	(451 321)
	Correction of error - Less: Allowance for doubtful debts on non-exchange transactions - Note 18 and 40.06	(1 746 621)
	<b>Total</b>	<b>24 402</b>
	The transfers between Long-term receivables and exchange and non-exchange receivables is to account for debtors that has debt agreements.	
40.04	<b>Accumulated Surplus</b>	
	<b>Balance previously reported</b>	460 590 024
	Correction of revaluation of the correction of allocation interms of Investment Property and Property Plant and Equipment- Notes 40.01 and 40.02	37 000
	Correction of revaluation of the correction of allocation interms of Investment Property and Property Plant and Equipment- Notes 40.01 and 40.02	684 236
	Correction of Property previously cluster in terms of the mother erven currently individually identified and incorporated into the register along with previously omitted erven - Notes 40.01 and 15	6 766 553
	Correction Property previously cluster in terms of the mother erven currently individually identified and incorporated into the register along with previously omitted erven - Notes 40.02 and 15	8 652 961
	Correction of 2011/2012 water revenue measured after year end - Note 20 and 40.05	1 109 280
	Correction of 2011/2012 Industrial Effluent payment on levy - Note 20 and 40.05	-617 573
	<b>Total</b>	<b>477 222 481</b>
40.05	<b>Receivables from exchange transactions</b>	
	<b>Balance previously reported</b>	14 518 858
	Correction of prior year water revenue measured after year end - Notes 20 and 40.07	(209 123)
	Correction of 2011/2012 water revenue measured after year end - Note 20 and 40.04	1 109 280
	Transfer to long term receivables - restated 2013 - Note 20 and 40.03	(975 301)
	Correction of error - Transfer from long-term receivables transactions - Note 20 and 40.03	523 980
	Transfer to long term receivables - restated 2013 - Note 20 and 40.03	451 321
	<b>Total</b>	<b>15 419 014</b>

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## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014

40	CHANGE IN ACCOUNTING POLICY IN TERMS OF GRAP 3 (CONTINUE)	2013	
		R	
40.06	Receivables from Non-exchange transactions		
	Balance previously reported	9 161 785	
	Correction of prior year fines not raised - Notes 21 and 40.07	2 517 906	
	Transfer to long term receivables - restated 2013 - Note 21 and 40.03	(4 119 951)	
	Correction of error - Transfer from long-term receivables transactions - Note 21 and 40.03	2 373 330	
	Transfer to long term receivables - restated 2013 - Note 21 and 40.03	1 746 621	
	<b>Total</b>	<b>11 679 691</b>	
40.07	STATEMENT OF FINANCIAL PERFORMANCE		
	Balance previously reported	12 221 045	
	Correction of prior year fines levied - Note 21 and 40.06	2 517 906	
	Correction of prior year water revenue measured after year end - Notes 20 and 40.05	(209 123)	
	Correction of rent on library building for prior year	(1 308 354)	
	Correction of rent on library building for prior year	1 308 354	
	Reclassification of Operating Grant Expenditure to Employee related cost - restated 2013 - Note 38	(2 017 514)	
	Reclassification of Operating Grant Expenditure to Employee related cost - restated 2013 - Note 30	2 017 514	
	Reclassification of Operating Grant Expenditure to Contracted services - restated 2013 - Note 38	(2 090 024)	
	Reclassification of Operating Grant Expenditure to Contracted Services - restated 2013	2 090 024	
	Reclassification of Operating Grant Expenditure to General Expenditure - restated 2013 - Note 38	(5 480 346)	
	Reclassification of Operating Grant Expenditure to General Expenditure - restated 2013 - Note 39	5 480 346	
	<b>Total</b>	<b>14 529 827</b>	
		2014	2013
41	RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS	R	R
	Surplus/(Deficit) for the year	58 618 450	14 529 827
	<b>Adjustments for:</b>		
	Donations for Property, Plant and Equipment	(49 500)	-
	Depreciation	9 964 015	8 154 547
	Impairments	22 532 038	89 844 857
	Amortisation of Intangible Assets	319 564	311 803
	(Gain) / Loss on disposal of property, plant and equipment	31 514	1 300 370
	Grants received	147 833 744	142 832 711
	Grants withheld from Equitable Share	(76 000)	-
	Grants recognised as revenue	(155 910 779)	(147 125 821)
	Contribution from/to employee benefits- non current	5 617 693	5 211 363
	Contribution from/to employee benefits - non-current - expenditure incurred	(1 508 665)	(1 437 747)
	Contribution from/to employee benefits - non-current - actuarial losses / gains	4 016 215	(1 107 300)
	Contribution to employee benefits – current	8 465 285	3 667 891
	Contribution to employee benefits – current - expenditure incurred	(7 425 360)	(7 138 576)
	Fair Value Adjustments - Property, Plant and Equipment	(28 138 564)	(22 515 624)
	Contribution to provisions – bad debt	47 239 932	24 139 488
	Impairment written off	(54 084 731)	(11 524 708)
	Operating lease income accrued	(47 155)	(169 320)
	Changes in Non-current provisions - Unwinding of interest	984 989	1 081 962
	Operating Surplus/(Deficit) before changes in working capital	58 382 686	100 055 723
	Changes in working capital	8 415 865	(7 497 101)
	Increase/(Decrease) in Trade and Other Payables	(276 448)	16 223 997
	Increase/(Decrease) in Taxes	3 439 458	(1 911 675)
	(Increase)/Decrease in Inventory	(360 725)	335 157
	(Increase)/Decrease in Trade Receivables from exchange transactions	28 852 313	(15 360 171)
	(Increase)/Decrease in Other Receivables from non-exchange transactions	(23 238 732)	(6 784 409)
	<b>Cash generated/(absorbed) by operations</b>	<b>66 798 551</b>	<b>92 558 622</b>
42	CASH AND CASH EQUIVALENTS		
	Cash and cash equivalents included in the cash flow statement comprise the following:		
	Call Investments Deposits - Note 23	26 967 406	20 739 868
	Cash Floats - Note 23	10 350	10 350
	Bank - Note 23	11 240 631	6 794 698
	<b>Total cash and cash equivalents</b>	<b>38 218 387</b>	<b>27 544 916</b>

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014

## 43 RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES

Cash and Cash Equivalents - Note 42	38 218 387	27 544 916
Less:	38 218 387	27 544 916
	(10 372 504)	(13 943 289)
Unspent Committed Conditional Grants - Note 10	(823 297)	(4 667 034)
Unspent Public Contributions - Note 11	(488 399)	(862 120)
Sinking Fund for repayment of Stock Loans at redemption date- restated 2013	(8 876 912)	(8 414 134)
Less: Unspent loans	(183 896)	-
Resources available for working capital requirements	27 845 882	13 601 627
Allocated to:		
Capital Replacement Reserve	6 499 770	499 770
Social Contribution Reserve	55 278	55 278
Resources available for working capital requirements	21 290 834	13 046 579

## 44 UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION

	2014 R	2013 R
Long-term Liabilities - Note 3	117 064 522	112 766 723
Used to finance property, plant and equipment - at cost	(116 880 626)	(112 766 723)
	183 896	-
Cash set aside for the repayment of long-term liabilities	-	-
Cash invested for repayment of long-term liabilities	183 896	-
Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act.		

## 45 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

## 45.1 Unauthorised expenditure

Reconciliation of unauthorised expenditure:

Opening balance	97 110 750	75 618 967
Unauthorised expenditure current year - capital	4 579 586	8 028 531
Unauthorised expenditure current year - operating	17 324 435	89 082 219
Approved by council	(97 110 750)	(75 618 967)
Unauthorised expenditure awaiting authorisation	21 904 021	97 110 750

Incident	Disciplinary steps/criminal proceedings
Over expenditure on votes	None

	2014 R (Actual)	2014 R (Budget)	2014 R (Variance)	2014 R (Unauthorised)
<b>Budget comparison by vote - Unauthorised expenditure current year - operating</b>				
Executive & Council	51 222 804	52 131 657	(908 853)	-
Finance & Administration	106 542 971	201 797 211	(95 254 240)	-
Planning & Development	11 142 995	12 346 047	(1 203 052)	-
Community & Social Services	5 648 726	6 186 694	(537 968)	-
Housing	3 904 994	4 463 940	(558 946)	-
Public Safety	31 777 219	15 509 071	16 268 148	16 268 148
Sport & Recreation	6 389 138	7 418 306	(1 029 168)	-
Environmental Protection	33 261	51 000	(17 739)	-
Waste Management	24 884 229	24 728 045	156 184	156 184
Waste Water Management	21 435 957	26 243 925	(4 807 968)	-
Road Transport	25 623 838	27 933 991	(2 310 153)	-
Water	38 859 800	37 959 697	900 103	900 103
Electricity	52 790 365	53 328 481	(538 116)	-
Other	377 720	1 276 688	(898 968)	-
	380 634 018	471 374 753	(90 740 735)	17 324 435

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014

## 45 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED (CONT.)

	2014 R (Actual)	2014 R (Budget)	2014 R (Variance)	2014 R (Unauthorised)
<b>Budget comparison by vote - Unauthorised expenditure current year - capital</b>				
Executive & Council	3 989 351	4 821 541	(832 190)	-
Finance & Administration	705 340	927 550	(222 210)	-
Planning & Development	2 457 803	2 868 942	(411 139)	-
Community & Social Services	354 018	1 473 000	(1 118 982)	-
Housing	16 661 436	12 170 000	4 491 436	4 491 436
Public Safety	-	-	-	-
Sport & Recreation	3 309 420	3 313 330	(3 910)	-
Environmental Protection	-	-	-	-
Waste Management	-	-	-	-
Waste Water Management	18 606 653	23 618 108	(5 011 455)	-
Road Transport	5 191 749	5 103 599	88 150	88 150
Water	8 116 009	10 747 047	(2 631 038)	-
Electricity	3 445 307	4 937 120	(1 491 813)	-
	<b>62 837 087</b>	<b>69 980 237</b>	<b>(7 143 150)</b>	<b>4 579 586</b>

The main reasons for the unauthorised expenditure are the insufficient budget for non-cash transactions such as the additional provision for doubtful debts of traffic services. The processes in Sect 32 of the MFMA will determine the full reasons for the over-expenditure.

45.2 **Fruitless and wasteful expenditure**

Reconciliation of fruitless and wasteful expenditure:

Opening balance	73 202	-
Fruitless and wasteful expenditure prior year - restated		73 202
Fruitless and wasteful expenditure current year	-	536 209
Written off by council	-	(536 209)
Fruitless and wasteful expenditure awaiting further action	<b>73 202</b>	<b>73 202</b>

Incident	Disciplinary steps/criminal proceedings	2014 R	2013 R
Due to on-going litigation involving the Genadendal community, Cape Agulhas Civills has not been able to complete the Greyton/Genadendal Sewerlink project	None	-	536 209
2012/2013 Incorrect calculation of leave pay out	None	-	73 202
		-	609 410

45.3 **Irregular expenditure**

Reconciliation of irregular expenditure:

Opening balance	206 947	8 233 523
Irregular expenditure prior year	-	(756 498)
Irregular expenditure prior year		188 766
Irregular expenditure current year	244 660	18 181
Written off by council	(255 097)	(7 477 025)
Irregular expenditure awaiting further action	<b>196 510</b>	<b>206 947</b>

Irregular expenditure awaiting condonement from National Treasury

**7 928 632**      **7 683 972**

Incident	Disciplinary steps/criminal proceedings
Award made to Contractor with outstanding rates and taxes - 2013/2014 - R163,751	None
Expenditure in contravention with section 116(1) of the MFMA - 2013/14 - R80 909	None

Recoverability of all irregular expenditure will be evaluated by Council in terms of section 32 of MFMA. No steps have been taken at this stage to recover any monies.

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014

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## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014

## 46 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (CONT.)

## 46.6 Councillor's arrear consumer accounts - [MFMA 125 (1)(b)]

There were no Councillors who had arrear accounts for more than 90 days as at 30 June 2014.

Deviations approved in terms of the Supply Chain Management Policy

Deviations from Supply Chain Management Regulations were approved by the Accounting Officer on the following categories:

	Less than R30,000	Between R30,001 and R200,000	Between R200,001 and R2,000,000	More than R2,000,001
Executive & Council	42 102	-	-	-
Corporate Services	231 998	37 837	627 192	-
Development Services	149 971	609 976	-	2 913 386
Financial Services	76 321	281 955	867 769	-
Technical Services	142 528	74 435	1 289 479	-
Operations	1 694 334	1 576 895	203 638	-
	<u>2 337 254</u>	<u>2 581 099</u>	<u>2 988 078</u>	<u>2 913 386</u>

The major deviations approved are as follows:

Incident	Amount R
DFA Solutions - Renewal of Microsoft License Agreement	361 594
Elster Kent Metering - Supply and Delivery of Pre-paid Water Meters	867 769
EnviroServ Waste Management - Operation of the Caledon Landfill Site and Transport of Containerised Municipal Solid Waste	250 000
Iron Metering - Supply and Delivery of Electricity Pre-payment Meters	640 680
Conlog - Supply and Delivery of Electricity Pre-payment Meters	388 799
Slanpark / Siteview Roof Rectification Project	2 913 386
Procurement of Bitmen Products	203 638
Professional Services: "Collaborator System"	265 597

## CAPITAL COMMITMENTS

## Commitments in respect of capital expenditure:

Approved and contracted for:

Land & Buildings  
Infrastructure

Total

2014  
R

2013  
R

40 517 153

38 684 248

-

636 042

40 517 153

38 048 206

40 517 153

38 684 248

This expenditure will be financed from:

External Loans  
Government Grants

4 133 901

5 975 270

36 383 252

32 708 978

40 517 153

38 684 248

## FINANCIAL RISK MANAGEMENT

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

## (a) Foreign Exchange Currency Risk

The municipality does not engage in foreign currency transactions.

## (b) Price risk

The municipality is not exposed to price risk.

## (c) Interest Rate Risk

As the municipality has significant interest-bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.

The municipality analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.

The municipality did not hedge against any interest rate risks during the current year.

The potential impact on the entity's surplus/deficit for the year due to changes in interest rates were as follow:

	2014 R	2013 R
1% (2013 - 0.5%) Increase in interest rates	(788 565)	(426 161)
0.5% (2013 - 0.5%) Decrease in interest rates	394 282	426 161

## (d) Credit Risk

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the municipality to incur a financial loss.

Credit risk consist mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies.

Trade and other debtors are disclosed net after provisions are made for impairment and bad debts. Trade debtors comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Credit risk pertaining to trade and other debtors is considered to be moderate due the diversified nature of debtors and immaterial nature of individual balances. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

All rates and services are payable within 30 days from invoice date. Refer to note 20 and 21 for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms. Also refer to note 20 for balances included in receivables that were re-negotiated for the period under review.

The provision for bad debts could be allocated between the different classes of debtors as follows:

	2014 %	2014 R	2013 %	2013 R
<u>Non-Exchange Receivables</u>				
Rates	34.93%	37 959 167	16.10%	18 507 746
<u>Exchange Receivables</u>				
Services	65.07%	70 715 230	83.90%	96 426 134
	100.00%	108 674 397	100%	114 933 880

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## FINANCIAL RISK MANAGEMENT (CONTINUED)

The municipality only deposits cash with organisations allowed in terms of the Cash Management Policy with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below.

The banks utilised by the municipality for current and non-current investments are all listed on the JSE (ABSA and Nedbank). The credit quality of these institutions are evaluated based on their required SENS releases as well as other media reports. Based on all public communications, the financial sustainability is evaluated to be of high quality and the credit risk pertaining to these institutions are considered to be low.

The risk pertaining to unpaid conditional grants and subsidies are considered to be very low. Amounts are receivable from national and provincial government and there are no expectation of counter party default.

Long-term Receivables and Other Debtors are individually evaluated annually at the reporting date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

Financial assets exposed to credit risk at year end are as follows:

	2014 R	2013 R
Long term receivables	29 286	34 282
Receivables from exchange transactions	12 277 605	15 419 014
Receivables from non-exchange transactions	4 389 343	5 479 532
Cash and Cash Equivalents	38 218 387	27 544 916
	<u>54 914 620</u>	<u>48 477 743</u>

## (e) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury maintains flexibility in funding by maintaining availability under credit lines.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

Ratio	Ratio
1.15	0.92

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

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## THEEWATERSKLOOF MUNICIPALITY

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014

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## FINANCIAL RISK MANAGEMENT (CONTINUED)

	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 Years
<b>2014</b>				
Long Term liabilities - Annuity Loans	17 229 200	64 065 162	58 411 839	39 042 467
Capital repayments	6 909 402	30 344 464	32 555 137	30 168 044
Interest	10 319 798	33 720 698	25 856 702	8 874 423
Long Term liabilities - Stock Loans	1 597 949	6 397 496	9 820 484	17 116 486
Capital repayments	-	-	2 553 169	14 469 801
Interest	1 597 949	6 397 496	7 267 315	2 646 685
Long Term liabilities - Finance Lease Liability	93 066	-	-	-
Capital repayments	64 505	-	-	-
Interest	28 561	-	-	-
Provisions - Landfill Sites	-	30 363 445	-	-
Capital repayments	-	28 917 567	-	-
Interest	-	1 445 878	-	-
Trade and Other Payables	36 084 843	-	-	-
Cash and Cash Equivalents	-	-	-	-
	<u>55 005 058</u>	<u>100 826 103</u>	<u>68 232 323</u>	<u>56 158 953</u>
<b>2013</b>				
Long Term liabilities - Annuity Loans	16 797 423	58 724 358	53 186 673	48 959 264
Capital repayments	6 936 832	26 006 930	26 310 010	36 383 404
Interest	9 860 591	32 717 428	26 876 663	12 575 860
Long Term liabilities - Stock Loans	1 598 272	6 004 346	9 779 171	19 148 898
Capital repayments	-	-	2 553 169	14 469 801
Interest	1 598 272	6 004 346	7 226 002	4 679 098
Long Term liabilities - Finance Lease Liability	139 599	93 066	-	-
Capital repayments	42 071	64 505	-	-
Interest	97 528	28 561	-	-
Provisions - Landfill Sites	1 249 004	29 114 441	-	-
Capital repayments	-	24 980 081	-	-
Interest	1 249 004	4 134 360	-	-
Trade and Other Payables	36 065 863	-	-	-
Cash and Cash Equivalents	-	-	-	-
	<u>55 850 161</u>	<u>93 936 211</u>	<u>62 965 844</u>	<u>68 108 162</u>

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## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014

48	<b>FINANCIAL INSTRUMENTS</b>		<b>2014</b>	<b>2013</b>
			<b>R</b>	<b>R</b>
	In accordance with GRAP 104 the financial instruments of the municipality are classified as follows:			
	The fair value of financial instruments approximates the amortised costs as reflected below.			
48.1	<b>Financial Assets</b>	<b>Classification</b>		
	<b>Long-term Receivables</b>			
	Officials Housing Loans	Financial instruments at amortised cost	23 857	28 926
	<b>Receivables</b>			
	Receivables from exchange transactions	Financial instruments at amortised cost	12 277 605	15 419 014
	Receivables from non-exchange transactions	Financial instruments at amortised cost	4 389 343	5 479 532
	<b>Current Portion of Long-term Receivables</b>			
	Officials Housing Loans	Financial instruments at amortised cost	5 429	5 356
	<b>Short-term Investment Deposits</b>			
	Call Deposits	Financial instruments at amortised cost	26 967 406	20 739 868
	<b>Bank Balances and Cash</b>			
	Bank Balances	Financial instruments at amortised cost	11 240 631	6 794 698
	Cash Floats and Advances	Financial instruments at amortised cost	10 350	10 350
			<b>55 944 669</b>	<b>50 851 074</b>
	<b>SUMMARY OF FINANCIAL ASSETS</b>			
	Financial instruments at amortised cost		55 944 669	50 851 074
	<b>At amortised cost</b>		<b>55 944 669</b>	<b>50 851 074</b>
48.2	<b>Financial Liability</b>	<b>Classification</b>		
	<b>Long-term Liabilities</b>			
	Annuity Loans	Financial instruments at amortised cost	93 067 644	88 700 566
	Capitalised Lease Liability	Financial instruments at amortised cost	-	64 505
	Stock Loans	Financial instruments at amortised cost	17 022 971	17 022 971
	<b>Provisions (Non-current and current)</b>			
	Landfill Sites (Balance previously reported)	Financial instruments at amortised cost		24 980 081
	Less: Correction of error - Provisions excluded from Financial Instruments - (GRAP 104.02.( c ))			(24 980 081)
	<b>Payables from exchange transactions</b>			
	Trade creditors	Financial instruments at amortised cost	19 156 861	23 478 357
	Interest portion of long term liabilities	Financial instruments at amortised cost	1 308 374	1 374 789
	Retentions	Financial instruments at amortised cost	14 789 954	10 270 477
	Sundry Deposits	Financial instruments at amortised cost	829 655	942 240
	<b>Current Portion of Long-term Liabilities</b>			
	Annuity Loans	Financial instruments at amortised cost	6 909 402	6 936 610
	Capitalised Lease Liability	Financial instruments at amortised cost	64 505	42 071
			<b>153 149 365</b>	<b>148 832 585</b>
	<b>SUMMARY OF FINANCIAL LIABILITY</b>			
	Financial instruments at amortised cost		153 149 365	148 832 585
49	<b>EVENTS AFTER THE REPORTING DATE</b>			
	Damage was caused to a municipal building during a violent protest action from 15-17 September 2014 in Grabouw. The cost of the repair is estimated at R1,027,134 and an insurance claim has been submitted.			
50	<b>IN-KIND DONATIONS AND ASSISTANCE</b>			
	The DBSA provided technical assistance to the Local Economic Development Department.			-
51	<b>PRIVATE PUBLIC PARTNERSHIPS</b>			
	Council has not entered into any private public partnerships during the financial year.			

THEEWATERSKLOOF MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014

	2014 R	2013 R
<b>52 CONTINGENT LIABILITIES</b>		
The municipality does not have a permit or license for any of the landfill sites currently in use and could be liable for a penalty in terms of section 24G of the Environmental Conservation Act.	Unknown	Unknown
Mr FJ Coetzee is suing the municipality for alleged negligence in constructing a speed bump, causing flooding to the residence of Mr Coetzee. The municipality's insurance disputes the claim.		22 140
Telkom is suing the municipality for damage to underground cables in Botriver and Villiersdorp due to alleged negligence during excavations. The municipality's insurance disputes the claim.		44 085
The Municipality has lodged a dispute in respect of the tariff charged by Overberg Water regarding a capital levy. This dispute has been referred to national Treasury in terms of section 44 of the Municipal Finance Management Act.	301 128	

**53 RELATED PARTIES**

Key Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers / residents.

**Related Party Transactions**

	Rates - Levied 1 Jul 13 - 30 Jun 14	Service Charges - Levied 1 Jul 13 - 30 Jun 14	Other - Levied 1 Jul 13 - 30 Jun 14	Outstanding Balances 30 June 2014
<b>Year ended 30 JUNE 2014</b>				
<b>Councillors</b>	<b>30 623</b>	<b>60 006</b>	<b>-</b>	<b>-22</b>
Carelse G	2 142	6 914	-	-
Cupido A	829	4 758	-	-
De Wet N	7 449	-	-	0
De Wet N		4 477		(22)
De Wet P	712	5 249		-
Hector M	943	3 730		-
Hendricks J	4 572	4 494		-
Nellie J	166	4 544		-
Nellie J				
Papier KI	1 199	6 669		-
Punt C	4 007	6 255		-
Sipunzi U	90	3 791		-
Tshaka M		3 791		-
Vosloo C	8 515	5 334		-
<b>Senior Management</b>				
Barnard J	6 568	5 817		(1 887)

The rates, service charges and other charges are in accordance with approved tariffs that were advertised to the public. No bad debt expenses have been recognised in respect of amounts owed by related parties.

**53.1 Related Party Loans**

Since 1 July 2004 loans to councillors and senior management employees are not permitted.

**53.2 Compensation of key management personnel**

The compensation of key management personnel is set out in note 30 to the Annual Financial Statements.

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## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014

	2014 R	2013 R
54 Other transactions in terms of Section 45 of the Municipal Supply Chain Regulations.		
The following purchases were made where immediate family members are in the service of the State:		
<i>Sailing Ships Trading - T/a J&amp;A Elektriese Werke - Electrical Services - Son in law of Deputy Director : Electrical</i>	357 188	458 813
JDFD Transport Services - Transport services - Mother of Denver and Fredericks Damons : Technical Services	1 590	850
Coalition Trading 1317 cc - Construction Services - Spouse of Alison Tobias-Meintjies : Assistant Superintendent Streets and Stormwater	214 010	186 379
Ithuba Industries - Construction Material - Spouse of W. De Morney - Teacher	567 828	
TWK TV & Video - ICT Services - Son of J Barnard - Director: Operations	13 124	
Tano Vera - ICT Services - Domestic partner of Nino Hendricks: Manager ICT	31 894	22 663
Villiersdorp Sekuriteit - Security and Monitoring Services - Spouse of C Vosloo: Speaker	38 623	26 200
Umthi Omkhulu Trading - Construction services - Husband of Cashier M Thomas		168 305
Finck Attorneys - Legal Services - Spouse of Gail Finck - Senior Clerk Clearances	2 547	
Greyton repairs - Mechanical Services - Spouse of Gail Groenewald: Administrator Debtors	42 961	21 744
Rosant FV - Construction Services - Parent of C. Bloemfontein - Temporary IT Technician		11 970
Suidwes Biltong - Food supplier - Wife of F. du Toit - Deputy Director Electrical		990
Groenland Security Services - Security and Monitoring - Spouse of M. Groenewald Senior Administrator Official, PAWC Department of Environmental Affairs	82 026	331 912
Jules Gardening Services - Gardening Services - Wife of M. Gillion - Senior Building Inspector		11 411
Petrol & Diesel Enjin Sentrum - Mechanical Services - Spouse of J. Pretorius Chief Clerk Creditors	336 133	67 969
Hendricks Construction - Construction Services - Cousin of A. Hendricks - Head Supply Chain		67 650
Marchall Armature Winding - Electrical Services - Spouse of M. Koeglenberg - Councilor	72 352	26 337
Mopstix Cleaning Services - Cleaning Services + Office Material - Spouse of Monroe van Niekerk - Ambulance Medi	44 800	
Adenco Construction - Construction Services - Parent of H.V. Machimana (Social Worker), B. Skosana (Nurse) and Child of A. Kassner - Teacher	1 163 951	
WAM Technology - Professional Services - Spouse of S.E.B. Botes - Teacher	397 994	
Masanda Trading - Construction Services - Spouse of M. Thomas	327 372	
ABSA Bank - Banking & Financial Services - Spouse of T. Manual - Parlement	4 847 393	
Aurecon SA - Professional Services - Parent of R. Mehlala (CFO: Eastern Cape Arts and Culture Council) and Son of G Saalman (Auditor General)	38 478	
	<u>8 580 264</u>	<u>1 403 193</u>

2014-11-17  
RMR

## THEEWATERSKLOOF MUNICIPALITY

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

## 13 PROPERTY, PLANT AND EQUIPMENT

30 JUNE 2014

## Reconciliation of Carrying Value

	Opening Balance R	Correction of error R	Additions R	Revaluations	Impairments R	Disposals R	Closing Balance R	Opening Balance R	Correction of error R	Additions R	Correction of error R	Revaluation Reversal R	Disposals R	Closing Balance R	Carrying Value R
<b>Land and Buildings</b>	136 551 448	-	7 667 831	39 202 848	8 608 050	-	174 814 077	-	-	981 130	-	(981 130)	-	-	174 814 077
Land	41 991 372	-	6 882 601	1 679 110	108 643	-	50 444 440	-	-	981 130	-	(981 130)	-	-	50 444 440
Buildings	94 560 077	-	785 230	37 523 738	8 499 407	-	124 369 637	-	-	-	-	-	-	-	124 369 637
<b>Infrastructure</b>	462 538 674	-	52 614 205	-	-	136 325	515 016 554	72 001 591	-	7 175 972	-	-	63 916	78 113 647	435 902 907
Roads and Storm water	111 448 682	-	5 191 749	-	-	136 325	116 504 106	31 959 507	-	2 421 501	-	-	63 916	34 317 092	82 187 015
Electricity Network	45 813 350	-	4 038 358	-	-	-	49 851 708	8 330 515	-	1 084 305	-	-	-	9 414 820	46 436 887
Sewerage Network	111 745 470	-	18 606 653	-	-	-	130 352 123	12 615 327	-	1 089 757	-	-	-	13 715 084	116 637 039
Water Network	123 210 651	-	8 116 009	-	-	-	131 326 660	18 509 601	-	2 467 699	-	-	-	20 977 300	110 349 360
Refuse Removal	1 538 741	-	-	-	-	-	1 538 741	139 452	-	13 273	-	-	-	152 726	1 386 015
Housing Infrastructure	68 781 780	-	16 661 436	-	-	-	85 443 216	447 187	-	89 437	-	-	-	536 625	84 906 591
<b>Community Assets</b>	1 217 194	-	-	-	-	-	1 217 194	201 259	-	57 459	-	-	-	258 718	958 475
Recreation Grounds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Parks & Gardens	1 015 494	-	-	-	-	-	1 015 494	147 470	-	50 740	-	-	-	198 210	817 284
Cemeteries	201 699	-	-	-	-	-	201 699	53 789	-	6 719	-	-	-	60 508	141 191
<b>Lease Assets</b>	361 600	-	-	-	-	-	361 600	192 033	-	56 789	-	-	-	248 822	112 778
Office Equipment	361 600	-	-	-	-	-	361 600	192 033	-	56 789	-	-	-	248 822	112 778
<b>Other Assets</b>	37 179 233	-	2 714 147	-	35 000	620 694	39 237 686	8 882 084	-	1 682 432	-	-	143 106	10 421 410	28 816 276
Vehicles	3 819 528	-	-	-	-	252 080	3 567 448	623 883	-	84 213	-	-	25 370	682 727	2 884 721
Tools & Equipment	3 778 343	-	537 626	-	-	5 969	4 309 939	1 069 119	-	387 174	-	-	1 612	1 424 651	2 885 318
Furniture	1 214 352	-	167 328	-	-	-	1 381 680	419 568	-	68 867	-	-	-	488 435	693 245
Equipment	3 084 602	-	407 335	-	-	11 783	3 480 154	1 327 806	-	266 879	-	-	2 463	1 592 231	1 887 923
Special Vehicles	19 512 009	-	377 914	-	35 000	321 136	19 533 787	3 494 509	-	440 492	-	-	97 883	3 837 119	15 696 668
Tables	393 949	-	16 290	-	-	-	410 239	139 641	-	22 662	-	-	-	162 303	247 936
Chairs	709 019	-	-	-	-	4 180	704 839	210 415	-	40 502	-	-	1 469	249 448	455 391
Office Equipment	1 803 028	-	335 497	-	-	2 456	2 136 069	699 662	-	155 953	-	-	1 286	854 329	1 281 740
Computer Hardware	2 743 894	-	872 157	-	-	23 090	3 592 962	878 668	-	237 662	-	-	13 034	1 103 296	2 489 666
Other	120 510	-	-	-	-	-	120 510	18 812	-	8 028	-	-	-	26 840	93 669
	637 848 149	-	62 996 183	39 202 848	8 643 050	757 019	730 647 110	81 276 967	-	9 953 781	-	(981 130)	207 022	90 042 596	640 604 514

2014-11-27

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## THEWATERSKLOOF MUNICIPALITY

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

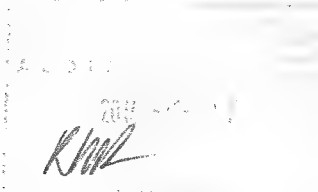
	Opening Balance R	Correction of error - Note 40.01 R	Cost		Impairment and Disposals R	Residual Value Disposals R	Closing Balance R	Opening Balance R	Correction of error	Accumulated Depreciation Charges and Impairment Losses		Closing Balance R	Carrying Value R
			Additions R	Revaluations R						Additions R	Correction of error R		
<b>Land and Buildings</b>	103 800 900	2 341 011	4 613 192	33 372 876	7 576 531	-	136 551 448	-	285 792	603 212	(285 792)	-	136 551 448
Land	47 062 600	(3 559 628)	170 031	3 148 900	4 830 531	-	41 991 372	-	-	-	-	-	41 991 372
Buildings	56 738 300	5 900 640	4 443 162	30 223 976	2 746 000	-	94 560 077	-	285 792	603 212	(285 792)	-	94 560 077
<b>Infrastructure</b>	382 528 671	-	81 262 969	-	-	1 252 966	482 538 674	66 819 818	-	5 851 140	-	669 368	390 537 083
Roads and Storm water	104 118 769	-	8 571 122	-	-	1 241 209	111 448 882	30 349 551	-	2 268 853	-	658 897	79 489 175
Electricity Network	37 936 317	-	7 888 790	-	-	7 485 122	45 813 350	11 757	-	875 865	-	10 471	37 482 534
Sewerage Network	90 648 516	-	21 096 954	-	-	-	111 745 470	11 559 634	-	1 055 693	-	-	12 615 327
Water Network	112 964 695	-	10 245 956	-	-	-	123 210 651	16 961 582	-	1 546 019	-	-	18 508 601
Refuse Removal	1 181 613	-	347 127	-	-	-	1 528 741	126 179	-	13 273	-	-	1 047 010 049
Housing	35 668 761	-	33 113 019	-	-	-	68 781 780	357 750	-	89 437	-	-	1 399 289
<b>Community Assets</b>	401 088	-	816 105	-	-	-	1 217 194	180 396	-	20 863	-	201 259	1 015 535
Recreation Grounds	-	-	-	-	-	-	-	-	-	-	-	-	-
Community Halls	-	-	-	-	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-	-	-	-	-
Parks & Gardens	199 389	-	816 105	-	-	-	1 015 494	133 327	-	14 144	-	147 470	868 024
Cemeteries	201 699	-	-	-	-	-	201 699	47 070	-	6 719	-	53 789	147 910
<b>Lease Assets</b>	339 000	-	22 600	-	-	-	361 600	138 423	-	53 610	-	192 033	169 566
Office Equipment	339 000	-	22 600	-	-	-	361 600	138 423	-	53 610	-	192 033	169 566
<b>Other Assets</b>	36 814 974	-	1 607 798	-	-	243 539	37 179 233	7 373 913	-	1 579 751	-	71 580	28 297 149
Vehicles	3 886 671	-	-	-	-	67 144	3 819 528	553 155	-	87 667	-	16 939	3 195 644
Tools & Equipment	3 285 088	-	493 255	-	-	-	3 778 343	744 803	-	324 317	-	-	2 709 223
Furniture	1 187 426	-	26 926	-	-	-	1 214 352	352 982	-	66 586	-	-	415 588
Equipment	2 882 996	-	201 606	-	-	-	3 084 602	1 075 466	-	252 340	-	-	794 784
Special Vehicles	19 374 222	-	263 787	-	-	125 000	19 532 009	3 111 737	-	432 264	-	49 492	1 756 786
Trucks	371 632	-	22 117	-	-	-	393 849	118 031	-	21 610	-	-	16 017 501
Chairs	678 265	-	30 754	-	-	-	709 019	170 764	-	39 660	-	-	234 308
Office Equipment	1 560 862	-	244 562	-	-	2 396	1 803 028	558 897	-	141 368	-	-	498 604
Computer Hardware	2 419 102	-	324 782	-	-	-	2 743 884	673 947	-	204 721	-	602	1 103 365
Other	168 510	-	-	-	-	48 000	120 510	14 131	-	9 228	-	4 547	1 865 226
	522 884 633	2 341 011	88 322 664	33 372 876	7 576 531	1 496 505	637 848 149	74 512 550	285 792	8 108 577	(285 792)	740 948	556 571 182

**APPENDIX A - Unaudited**  
**THEWATERSKLOOF MUNICIPALITY**  
**SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2014**

EXTERNAL LOANS	Rate	Loan Number	Redeemable	Balance at 30 JUNE 2013	Received during the period	Redeemed written off during the period	Balance at 30 JUNE 2014
<b>LONG-TERM LOANS</b>							
<b>Stock Loans</b>							
DBSABANK - 20 years	9.29%	Loan No. 102275/4&5 Loan No. 101487/1	31/03/2027	10 022 971	-	-	10 022 971
DBSABANK - 20 year	9.46%	Electricity Loan No. 101487/4	31/12/2024	6 873 758	-	-	6 873 758
DBSABANK	9.77%	Admin/Corp/Refuse	31/12/2019	126 242	-	-	126 242
<b>Total Long-term Loans</b>				<b>17 022 971</b>	<b>-</b>	<b>-</b>	<b>17 022 971</b>
<b>ANNUITY LOANS</b>							
DBSA BANK - 10 year	10.95%	Infrastructure Programs101178/1	30/06/2014	1 322 060	-	1 322 060	-
DBSA BANK - 10 & 20 year	10.74%	Loan No. 102807/1	30/06/2028	9 950 904	-	580 837	9 370 067
DBSA BANK 10 & 20 year	11.44%	Loan No. 103108/1 (Mun Buildings)	30/09/2028	9 336 151	-	281 054	9 055 098
ABSA BANK - 7 year	11.35%	11794	31/12/2014	81 771	-	52 997	28 775
ABSA BANK -7 year	11.35%	(Sewerage) 11792	31/12/2014	39 473	-	25 582	13 890
ABSA BANK - 11 year	11.14%	(Electricity, Water, Sewerage)10858/1	31/12/2018	961 702	-	135 065	826 636
ABSA BANK - 11 year	11.14%	(Sewerage)10858/2	31/12/2018	92 404	-	12 978	79 427
DBSA BANK - 30 year	10.05%	(Sewerage) 13050	31/12/2013	29 058	-	29 058	-
DBSA BANK 15 year	15.30%	(Electricity) 13062	31/12/2008	3	-	3	-
ABSA BANK - 7 year	11.35%	(Sewerage) 13051	31/12/2014	19 572	-	12 685	6 887
ABSA BANK - 7 year	11.35%	(Sewerage) 13052	31/12/2014	16 363	-	10 605	5 758
DBSA BANK -10 year	16.50%	(Roads) 13298	31/12/2009	(21)	-	(21)	-
Sanlam 20 year	10.00%	40513100.00% (Sewerage) 104013	31/12/2010	240	-	240	-
ABSA BANK - 8 year	11.27%	(12704/101) (Water Service)	31/12/2015	185 303	-	68 091	117 212
ABSA BANK - 8 year	11.27%	105021(12705/101) 13343(16.50%)	31/12/2015	76 388	-	28 069	48 318
DBSA BANK - 20 year	16.50%	(Electricity) Electricity (15.75%)	31/12/2019	137 264	-	13 092	124 173
DBSA BANK - 20 year	15.75%	(13705/102) Network - Elec.(15.00%)	30/06/2020	69 304	-	6 007	63 297
ABSA BANK - 6 year	11.44%	(11040/102)	31/12/2013	18 225	-	18 225	-
DBSA BANK - 20 year	9.85%	103313.1	31/03/2029	20 669 171	-	570 942	20 098 228
DBSA BANK - 15 year	9.97%	103313.2	31/03/2024	5 561 054	-	296 671	5 264 382
DBSA BANK - 10 year	10.00%	103313.3	31/03/2019	758 311	-	97 668	660 642
DBSA BANK - 7 year	9.95%	103313.4	31/03/2016	2 175 177	-	655 778	1 519 399
STANDARD BANK-7 year	11.67%	72480009	31/07/2017	731 999	-	132 030	599 970
STANDARD BANK-10 year	11.72%	72479981	31/07/2020	2 543 185	-	227 419	2 315 766
DBSA - 20 year	11.06%	103817/3	31/12/2030	10 826 082	-	221 158	10 604 924
STANDARD BANK-15 year	12.22%	272400572	30/06/2026	7 766 866	-	266 669	7 500 197
ABSA BANK - 7 year	10.45%	406885872	30/06/2018	2 348 776	-	379 302	1 969 473
ABSA BANK - 15 year	10.79%	40-7908-8994	27/06/2027	11 444 316	-	378 570	11 065 746
ABSA BANK - 7 year	9.42%	40-7908-9071	27/06/2019	7 504 627	-	981 704	6 522 923
ABSA BANK - 7 year	8.25%	8259-8788	27/06/2019	341 246	-	46 035	295 210
ABSA BANK - 7 year	8.25%	8259-9091	27/06/2019	87 901	-	11 858	76 043
ABSA BANK - 7 year	8.25%	8259-9741	27/06/2019	542 302	-	73 158	469 144
ABSA BANK - 7 year	10.09%	387230962	21/06/2021		3 000 000		3 000 000
ABSA BANK - 10 year	10.63%	387230963	27/06/2024		8 275 461		8 275 461
<b>Total Annuity Loans</b>				<b>95 637 176</b>	<b>11 275 461</b>	<b>6 935 591</b>	<b>99 977 046</b>
<b>LEASE LIABILITY</b>							
25 Dell E5520 Laptops				106 576	-	42 071	64 505
<b>Total Lease Liabilities</b>				<b>106 576</b>	<b>-</b>	<b>42 071</b>	<b>64 505</b>
<b>TOTAL EXTERNAL LOANS</b>				<b>112 766 723</b>	<b>11 275 461</b>	<b>6 977 661</b>	<b>117 064 522</b>

**APPENDIX B - Unaudited**  
**THEEWATERSKLOOF MUNICIPALITY**  
**SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2014**  
**MUNICIPAL SUB-VOTES CLASSIFICATION**

2013 Actual Income R	2013 Actual Expenditure R	2013 Surplus/ (Deficit) R		2014 Actual Income R	2014 Actual Expenditure R	2014 Surplus/ (Deficit) R
-	3 484 912	(3 484 912)	Admin Housing and Informal Settlements	-	3 904 994	(3 904 994)
1 157 389	8 441 323	(7 283 934)	Admin. : Technical Services	1 051 009	9 185 517	(8 134 508)
-	7 412 283	(7 412 283)	Admin: Operational Services	-	7 629 975	(7 629 975)
-	2 904 224	(2 904 224)	Admin: Planning and Development	-	3 600 511	(3 600 511)
1 563 501	143 881	1 419 621	Building Control	1 543 035	221 952	1 321 083
439 931	297 682	142 249	Cemeteries	476 821	368 524	108 297
-	334 453	(334 453)	Civil Protection & Fire Protection	-	664 263	(664 263)
4 577 057	7 748 404	(3 171 347)	Council's General Expenses	3 769 040	15 777 848	(12 008 808)
946 099	18 619 011	(17 672 911)	Directorate Corporate Services	820 651	18 629 464	(17 808 813)
65 153 363	48 429 444	16 723 919	Electricity Distribution	69 845 257	52 790 365	17 054 892
51 883 719	21 530 033	30 353 686	Financial Services	59 391 219	23 577 843	35 813 375
624 828	5 255 575	(4 630 747)	Human Resources	231 587	6 513 693	(6 282 106)
533 656	3 091 479	(2 557 823)	IDP / LED	486 710	2 945 248	(2 458 539)
-	3 673 235	(3 673 235)	Information Technology	-	4 117 175	(4 117 175)
-	1 142 304	(1 142 304)	Internal Audit	-	1 324 241	(1 324 241)
-	2 190 882	(2 190 882)	Law Enforcement	(49 300)	2 574 129	(2 623 429)
5 679 878	4 394 911	1 284 967	Library	5 636 298	5 280 202	356 096
-	371 330	(371 330)	Mechanical Workshop	-	377 720	(377 720)
837 350	3 721 405	(2 884 055)	Municipal Manager	930 666	4 147 487	(3 216 820)
-	760 608	(760 608)	Nature reserve	-	799 153	(799 153)
-	160 795	(160 795)	Other	-	234 099	(234 099)
(209 673)	5 026 045	(5 235 717)	Parks and Recreation	(335 432)	5 057 375	(5 392 807)
-	24 078	(24 078)	Pollution Control	-	33 261	(33 261)
108 000	133 045	(25 045)	Proclaimed Main Roads	67 566	68 815	(1 248)
17 780	1 657 225	(1 639 445)	Property Manangement	-	1 259 020	(1 259 020)
48 431 840	3 064 199	45 367 641	Property Rates	59 215 860	5 799 461	53 416 398
22 775 106	94 119 683	(71 344 577)	Property Services	29 075 154	27 049 757	2 025 398
(12 183)	20 640 696	(20 652 879)	Roads	77 272	22 251 656	(22 174 384)
19 758 314	13 729 435	6 028 879	Sewerage	21 241 981	15 565 752	5 676 229
-	3 416 170	(3 416 170)	Sewerage Purification	-	3 662 739	(3 662 739)
1 805 347	2 211 959	(406 613)	Sewerage Tanker Services	2 487 601	2 207 466	280 134
23 189 686	22 245 839	943 847	Solid Waste	25 516 927	24 884 229	632 699
164 645	671 052	(506 408)	Sports Grounds	20 942	532 063	(511 120)
77 310 825	4 195 198	73 115 627	Subsidies and Grants	82 743 229	34 013 314	48 729 915
(7 599)	1 938	(9 537)	Swimming pool & Camping Site	(17 513)	548	(18 061)
164 179	3 062 032	(2 897 854)	Town Planning	341 739	3 116 265	(2 774 526)
8 077 403	8 676 153	(598 751)	Traffic Services	30 071 064	28 304 728	1 766 336
4 807 819	3 391 296	1 416 523	Vehicle Licensing and Testing	5 195 638	3 303 367	1 892 271
37 199 502	32 073 715	5 125 788	Water Distribution	39 417 446	38 859 800	557 646
376 977 760	362 447 932	14 529 829	<b>Total</b>	439 252 468	380 634 018	58 618 450

  
 Municipal Manager

**APPENDIX C - Unaudited**  
**THEEWATERSKLOOF MUNICIPALITY**  
**SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2014**  
**GENERAL FINANCE STATISTIC CLASSIFICATIONS**

2013 Actual Income R	2013 Actual Expenditure R	2013 Surplus/ (Deficit) R		2014 Actual Income R	2014 Actual Expenditure R	2014 Surplus/ (Deficit) R
6 680 545	42 221 021	(35 540 475)	Executive & Council	5 640 700	51 222 804	(45 582 104)
201 863 668	136 701 632	65 162 036	Finance & Administration	231 587 715	106 542 971	125 044 744
2 279 116	10 858 841	(8 579 725)	Planning & Development	2 371 483	11 142 995	(8 771 512)
6 119 809	4 692 593	1 427 216	Community & Social Services	6 113 119	5 648 726	464 393
-	3 484 912	(3 484 912)	Housing	-	3 904 994	(3 904 994)
8 077 403	11 362 284	(3 284 882)	Public Safety	30 021 764	31 777 219	(1 755 455)
(52 627)	6 459 643	(6 512 270)	Sport & Recreation	(332 003)	6 389 138	(6 721 141)
-	24 078	(24 078)	Environmental Protection	-	33 261	(33 261)
23 189 686	22 245 839	943 847	Waste Management	25 516 927	24 884 229	632 699
21 563 660	19 357 564	2 206 096	Waste Water Management	23 729 582	21 435 957	2 293 625
4 903 636	24 165 037	(19 261 400)	Road Transport	5 340 477	25 623 838	(20 283 362)
37 199 502	32 073 715	5 125 788	Water	39 417 446	38 859 800	557 646
65 153 363	48 429 444	16 723 919	Electricity	69 845 257	52 790 365	17 054 892
-	371 330	(371 330)	Other	-	377 720	(377 720)
376 977 760	362 447 932	14 529 829	<b>Total</b>	439 252 468	380 634 018	58 618 450



**APPENDIX D - Unaudited**  
**THEEWATERSKLOOF MUNICIPALITY**  
**DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003**

Grant Description	Balance 30 JUNE 2013	Grants Received	Expenditure during the year Transferred to Revenue	Withheld during the year	Balance 30 JUNE 2014
<b>UNSPENT AND UNPAID GOVERNMENT GRANTS AND RECEIPTS</b>					
	R	R	R		R
<b><u>National Government Grants</u></b>					
Equitable Share	-	57 262 000	(57 262 000)	-	-
EPWP	770 530	1 000 000	(1 770 530)	-	-
Municipal Infrastructure Grant	109 138	24 849 000	(24 800 570)	-	157 568
MSIG Funds	(140 872)	890 000	(857 855)	-	(108 727)
Finance Management Grant	(250 792)	1 500 000	(1 249 208)	-	-
Neighbourhood Development Programme Grant	76 904	-	(904)	(76 000)	-
Regional Bulk Infrastructure Grant (RBIG)	(1 761 363)	7 481 637	(5 720 274)	-	(0)
<b>Total National Government Grants</b>	<b>(1 196 455)</b>	<b>92 982 637</b>	<b>(91 661 341)</b>	<b>(76 000)</b>	<b>48 841</b>
<b><u>Provincial Government Grants</u></b>					
Spatial Development Framework	30 469	-	(30 469)	-	-
Botrivier Development Contribution	38 889	-	(38 889)	-	-
CDW's	144 840	131 200	(166 064)	-	109 977
Project Preparation	69 400	-	(69 400)	-	-
Housing	(224 881)	46 377 991	(52 357 867)	-	(6 204 757)
Multi Purpose Bus	62 102	-	(62 102)	-	(0)
Thusong Multi Purpose Centre	2 500 000	-	(2 500 000)	-	-
Main Roads Subsidy	-	74 000	(74 000)	-	-
Library Subsidy	-	6 361 000	(6 250 740)	-	110 260
Financial Support Grant	400 000	300 000	(600 000)	-	100 000
Impound Facility	-	450 000	(450 000)	-	-
<b>Total Provincial Government Grants</b>	<b>3 020 819.41</b>	<b>53 694 191</b>	<b>(62 599 531)</b>	<b>-</b>	<b>(5 884 521)</b>
<b><u>Other Grant Providers</u></b>					
DBSA GIS	943	-	(943)	-	-
DBSA Local Economic Development	463 819	-	(118 326)	-	345 493
Public Contributions - HAN Students	227 349	925 329	(930 666)	-	222 011
Public Contributions - IDC - Local Economic Development	634 772	-	(368 384)	-	266 388
SETA	-	231 587	(231 587)	-	-
<b>Total Other Grant Providers</b>	<b>1 326 883</b>	<b>1 156 916</b>	<b>(1 649 907)</b>	<b>-</b>	<b>833 892</b>
<b>Total</b>	<b>3 151 247</b>	<b>147 833 744</b>	<b>(155 910 779)</b>	<b>(76 000)</b>	<b>(5 001 788)</b>


2014-11-17  
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**APPENDIX E - Unaudited**  
**THEEWATERSKLOOF LOCAL MUNICIPALITY**  
**NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**  
**REVENUE AND EXPENDITURE (STANDARD CLASSIFICATION)**

Description	2013/2014							2012/2013
	Original Budget	Budget Adjustments (i.e. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousand								
<b>Revenue - Standard</b>								
<i>Governance and administration</i>	197 420	8 831	206 252	237 228	30 977	115.0%	120.2%	209 853
Executive and council	3 528	503	4 031	4 700	669	116.6%	133.2%	5 414
Budget and treasury office	189 277	3 041	192 317	201 350	9 033	104.7%	106.4%	177 626
Corporate services	4 616	5 288	9 903	31 178	21 275	314.8%	675.5%	26 812
<i>Community and public safety</i>	14 670	5 100	19 770	35 803	16 033	181.1%	244.1%	11 627
Community and social services	6 841	74	6 915	6 113	(802)	88.4%	89.4%	6 120
Sport and recreation	(278)	17	(261)	(332)	(71)	127.2%	119.4%	(53)
Public safety	8 107	5 009	13 116	30 022	16 906	228.9%	370.3%	5 559
Housing	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	7 812	116	7 928	7 712	(216)	97.3%	98.7%	7 183
Planning and development	2 922	(175)	2 747	2 371	(375)	86.3%	81.2%	2 279
Road transport	4 890	291	5 181	5 340	159	103.1%	109.2%	4 904
Environmental protection	-	-	-	-	-	-	-	-
<i>Trading services</i>	164 938	(1 046)	163 892	158 509	(5 383)	96.7%	96.1%	147 315
Electricity	70 857	3 476	74 334	69 845	(4 488)	94.0%	98.6%	65 153
Water	47 695	(7 358)	40 337	39 417	(919)	97.7%	82.6%	37 409
Waste water management	21 927	1 423	23 350	23 730	380	101.6%	108.2%	21 564
Waste management	24 459	1 413	25 872	25 517	(355)	98.6%	104.3%	23 190
<i>Other</i>	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	<b>384 840</b>	<b>13 001</b>	<b>397 842</b>	<b>439 252</b>	<b>41 411</b>	<b>110.4%</b>	<b>114.1%</b>	<b>375 977</b>
<b>Expenditure - Standard</b>								
<i>Governance and administration</i>	123 221	135 567	258 788	161 744	(97 044)	62.5%	131.3%	182 198
Executive and council	24 826	1 374	26 200	27 555	1 356	105.2%	111.0%	18 882
Budget and treasury office	45 388	26 050	71 437	64 715	(6 722)	90.6%	142.6%	29 932
Corporate services	53 008	108 144	161 152	69 474	(91 678)	43.1%	131.1%	133 384
<i>Community and public safety</i>	31 418	2 160	33 578	30 682	(2 896)	91.4%	97.7%	27 308
Community and social services	4 631	1 556	6 187	5 649	(538)	91.3%	122.0%	6 001
Sport and recreation	7 874	(446)	7 428	6 389	(1 039)	86.0%	81.1%	6 460
Public safety	14 660	839	15 499	14 739	(760)	95.1%	100.5%	11 362
Housing	4 253	211	4 464	3 905	(559)	87.5%	91.8%	3 485
Health	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	36 642	105	36 748	33 200	(3 548)	90.3%	90.6%	32 144
Planning and development	8 032	731	8 763	7 542	(1 220)	86.1%	93.9%	7 955
Road transport	28 560	(626)	27 934	25 624	(2 310)	91.7%	89.7%	24 165
Environmental protection	50	1	51	33	(18)	65.2%	66.3%	24
<i>Trading services</i>	137 310	4 950	142 260	155 009	12 749	109.0%	112.9%	122 107
Electricity	59 620	(6 292)	53 328	52 790	(538)	99.0%	88.5%	48 429
Water	34 675	3 285	37 960	38 860	900	102.4%	112.1%	32 074
Waste water management	22 892	3 352	26 244	21 436	(4 808)	81.7%	93.6%	19 358
Waste management	20 124	4 604	24 728	41 923	17 195	169.5%	208.3%	22 246
<i>Other</i>	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>	<b>328 592</b>	<b>142 782</b>	<b>471 374</b>	<b>380 634</b>	<b>(90 740)</b>	<b>80.7%</b>	<b>115.8%</b>	<b>363 756</b>
<b>Surplus/(Deficit) for the year</b>	<b>56 248</b>	<b>(129 781)</b>	<b>(73 533)</b>	<b>58 618</b>	<b>132 151</b>	<b>-79.7%</b>	<b>104.2%</b>	<b>12 221</b>


**APPENDIX E - Unaudited**  
**THEEWATERSKLOOF LOCAL MUNICIPALITY**  
**NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**  
**REVENUE AND EXPENDITURE (MUNICIPAL VOTE CLASSIFICATION)**

Description	2013/2014							2012/2013
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
<b>R thousand</b>								
<b>Revenue by Vote</b>								
Vote 1 - Executive & Council	5 424	1 180	6 604	6 571	(32)	99.5%	121.2%	7 518
Vote 2 - Finance & Admin	109 477	10 391	119 868	147 914	28 045	123.4%	135.1%	125 024
Vote 3 - Planning & Development	2 922	(175)	2 747	2 371	(375)	86.3%	81.2%	2 279
Vote 4 - Community & Social Services	6 841	74	6 915	6 113	(802)	88.4%	89.4%	6 120
Vote 5 - Housing	-	-	-	-	-	-	-	-
Vote 6 - Public Safety	8 107	5 009	13 116	30 022	16 906	228.9%	370.3%	5 559
Vote 7 - Sport & Recreation	(278)	17	(261)	(332)	(71)	127.2%	119.4%	(53)
Vote 8 - Environmental Protection	-	-	-	-	-	-	-	-
Vote 9 - Waste Management	24 459	1 413	25 872	25 517	(355)	98.6%	104.3%	23 190
Vote 10 - Waste Water Management	21 927	1 423	23 350	23 730	380	101.6%	108.2%	21 564
Vote 11 - Roads Transport	4 890	291	5 181	5 340	159	103.1%	109.2%	4 904
Vote 12 - Water	47 695	(7 358)	40 337	39 417	(919)	97.7%	82.6%	37 409
Vote 13 - Electricity	70 857	3 476	74 334	69 845	(4 488)	94.0%	98.6%	65 153
Vote 14 - Other	82 519	(2 740)	79 779	82 743	2 964	103.7%	100.3%	77 311
<b>Total Revenue by Vote</b>	<b>384 840</b>	<b>13 001</b>	<b>397 842</b>	<b>439 252</b>	<b>41 411</b>	<b>110.4%</b>	<b>114.1%</b>	<b>375 977</b>
<b>Expenditure by Vote to be appropriated</b>								
Vote 1 - Executive & Council	54 869	964	55 833	55 370	(463)	99.2%	100.9%	45 942
Vote 2 - Finance & Admin	43 407	117 444	160 852	68 382	(92 469)	42.5%	157.5%	128 785
Vote 3 - Planning & Development	11 702	644	12 346	11 143	(1 203)	90.3%	95.2%	10 859
Vote 4 - Community & Social Services	4 631	1 556	6 187	5 649	(538)	91.3%	122.0%	6 001
Vote 5 - Housing	4 253	211	4 464	3 905	(559)	87.5%	91.8%	3 485
Vote 6 - Public Safety	14 660	839	15 499	31 777	16 278	205.0%	216.8%	11 362
Vote 7 - Sport & Recreation	7 874	(446)	7 428	6 389	(1 039)	86.0%	81.1%	6 460
Vote 8 - Environmental Protection	50	1	51	33	(18)	65.2%	66.3%	24
Vote 9 - Waste Management	20 124	4 604	24 728	24 884	156	100.6%	123.7%	22 246
Vote 10 - Waste Water Management	22 892	3 352	26 244	21 436	(4 808)	81.7%	93.6%	19 358
Vote 11 - Roads Transport	28 560	(626)	27 934	25 624	(2 310)	91.7%	89.7%	24 165
Vote 12 - Water	34 675	3 285	37 960	38 860	900	102.4%	112.1%	32 074
Vote 13 - Electricity	59 620	(6 292)	53 328	52 790	(538)	99.0%	88.5%	48 429
Vote 14 - Other	21 274	17 246	38 521	34 391	(4 130)	89.3%	161.7%	4 567
<b>Total Expenditure by Vote</b>	<b>328 592</b>	<b>142 782</b>	<b>471 374</b>	<b>380 634</b>	<b>(90 740)</b>	<b>80.7%</b>	<b>115.8%</b>	<b>363 756</b>
<b>Surplus/(Deficit) for the year</b>	<b>56 248</b>	<b>(129 781)</b>	<b>(73 533)</b>	<b>58 618</b>	<b>132 151</b>	<b>-79.7%</b>	<b>104.2%</b>	<b>12 221</b>

2013-11-27  


**APPENDIX E - Unaudited**  
**THEEWATERSKLOOF LOCAL MUNICIPALITY**  
**NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**  
**REVENUE AND EXPENDITURE**

Description	2013/2014							2012/2013
	Original Budget	Budget Adjustments (i.e. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
<b>R thousand</b>								
<b>Revenue By Source</b>								
Property rates	60 047	(599)	59 448	58 673	(775)	98.7%	97.7%	47 607
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-
Service charges	145 559	56	145 615	142 532	(3 083)	97.9%	97.9%	131 758
Rental of facilities and equipment	1 420	21	1 441	1 936	495	134.4%	136.4%	1 409
Interest earned - external investments	2 200	-	2 200	2 904	704	132.0%	132.0%	2 407
Interest earned - outstanding debtors	4 000	4 000	8 000	9 267	1 267	115.8%	231.7%	7 617
Dividends received	-	-	-	-	-	-	-	-
Fines	8 019	5 013	13 032	29 835	16 803	228.9%	372.1%	7 984
Licences and permits	2 508	62	2 570	2 635	65	102.5%	105.1%	2 626
Agency services	2 100	100	2 200	2 189	(11)	99.5%	104.2%	1 957
Transfers recognised - operational	86 840	24 977	111 817	109 108	(2 708)	97.6%	125.6%	69 125
Other revenue	9 296	(761)	8 535	33 060	24 525	387.3%	355.6%	27 788
Gains on disposal of PPE	-	205	205	310	105	151.1%	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>321 989</b>	<b>33 073</b>	<b>355 062</b>	<b>392 450</b>	<b>37 388</b>	<b>1073.6%</b>	<b>121.9%</b>	<b>300 277</b>
<b>Expenditure By Type</b>								
Employee related costs	127 223	(267)	126 957	124 568	(2 389)	98.1%	97.9%	109 725
Remuneration of councillors	8 502	(148)	8 354	8 203	(150)	98.2%	96.5%	7 410
Debt impairment	13 029	11 926	24 956	47 240	22 284	189.3%	362.6%	22 703
Depreciation & asset impairment	19 941	106 614	128 555	32 816	(95 739)	25.5%	164.6%	98 311
Finance charges	13 731	(791)	12 940	12 478	(462)	96.4%	90.9%	12 780
Bulk purchases	49 824	(547)	49 277	50 043	766	101.6%	100.4%	45 334
Other materials	-	-	-	-	-	-	-	-
Contracted services	18 300	(488)	17 812	17 749	(63)	99.6%	97.0%	15 273
Transfers and grants	850	-	850	824	(26)	96.9%	96.9%	783
Other expenditure	77 192	20 268	97 461	86 372	(11 088)	88.6%	111.9%	50 129
Loss on disposal of PPE	-	4 214	4 214	341	(3 873)	8.1%	-	1 300
<b>Total Expenditure</b>	<b>328 592</b>	<b>142 782</b>	<b>471 374</b>	<b>380 634</b>	<b>(90 740)</b>	<b>330.1%</b>	<b>115.8%</b>	<b>363 748</b>
<b>Surplus/(Deficit)</b>	<b>(6 603)</b>	<b>(109 709)</b>	<b>(116 312)</b>	<b>11 816</b>	<b>128 128</b>	<b>-10.2%</b>	<b>-179.0%</b>	<b>(63 471)</b>
Transfers recognised - capital	62 851	(20 072)	42 779	46 802	4 023	109.4%	74.5%	78 001
Contributions recognised - capital	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>56 248</b>	<b>(129 781)</b>	<b>(73 533)</b>	<b>58 618</b>	<b>132 151</b>	<b>-79.7%</b>	<b>104.2%</b>	<b>14 530</b>

AUDITED  
 30 JUNE 2014  


**APPENDIX E - Unaudited**  
**THEEWATERSKLOOF LOCAL MUNICIPALITY**  
**NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**  
**CAPITAL EXPENDITURE BY VOTE, STANDARD CLASSIFICATION AND FUNDING**

Description	2013/2014							2012/2013
	Original Budget	Budget Adjustments (i.l.o. MFMA s26)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousand								
<b>Capital expenditure - Vote</b>								
<b>Multi-year expenditure</b>								
Vote 1 - Executive & Council	-	-	-	-	-	-	-	1 752
Vote 2 - Finance & Admin	-	-	-	-	-	-	-	1 630
Vote 3 - Planning & Development	-	-	-	-	-	-	-	4 445
Vote 4 - Community & Social Services	-	-	-	-	-	-	-	-
Vote 5 - Housing	-	-	-	-	-	-	-	33 113
Vote 6 - Public Safety	-	-	-	-	-	-	-	-
Vote 7 - Sport & Recreation	3 270	-	3 270	3 270	(0)	100.0%	100.0%	695
Vote 8 - Environmental Protection	-	-	-	-	-	-	-	-
Vote 9 - Waste Management	-	-	-	-	-	-	-	347
Vote 10 - Waste Water Management	9 282	(286)	8 996	8 238	(758)	91.6%	88.8%	21 097
Vote 11 - Roads Transport	-	-	-	-	-	-	-	8 296
Vote 12 - Water	7 745	261	8 008	5 688	(2 320)	71.0%	73.4%	9 059
Vote 13 - Electricity	-	-	-	-	-	-	-	7 889
Vote 14 - Other	-	-	-	-	-	-	-	-
Example 15 - Vote 15	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure</b>	<b>20 298</b>	<b>(25)</b>	<b>20 273</b>	<b>17 195</b>	<b>(3 078)</b>	<b>84.8%</b>	<b>84.7%</b>	<b>88 323</b>
<b>Single-year expenditure</b>								
Vote 1 - Executive & Council	2 754	2 068	4 822	4 099	(723)	85.0%	146.9%	-
Vote 2 - Finance & Admin	928	-	928	705	(222)	76.0%	76.0%	-
Vote 3 - Planning & Development	183	2 686	2 869	2 458	(411)	85.7%	1343.8%	-
Vote 4 - Community & Social Services	1 100	373	1 473	354	(1 119)	24.0%	32.2%	-
Vote 5 - Housing	29 502	(17 332)	12 170	16 661	4 491	136.9%	56.5%	-
Vote 6 - Public Safety	-	-	-	-	-	-	-	-
Vote 7 - Sport & Recreation	-	44	44	40	(4)	91.1%	-	-
Vote 8 - Environmental Protection	-	-	-	-	-	-	-	-
Vote 9 - Waste Management	-	-	-	-	-	-	-	-
Vote 10 - Waste Water Management	14 252	370	14 622	10 368	(4 254)	70.9%	72.7%	-
Vote 11 - Roads Transport	4 399	705	5 104	5 192	88	101.7%	118.0%	-
Vote 12 - Water	-	2 739	2 739	2 428	(311)	88.6%	-	-
Vote 13 - Electricity	179	4 758	4 937	3 445	(1 492)	69.8%	1924.8%	-
Vote 14 - Other	-	-	-	-	-	-	-	-
Example 15 - Vote 15	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure</b>	<b>53 296</b>	<b>(3 589)</b>	<b>49 707</b>	<b>45 751</b>	<b>(3 956)</b>	<b>92%</b>	<b>86%</b>	<b>-</b>
<b>Total Capital Expenditure - Vote</b>	<b>73 594</b>	<b>(3 614)</b>	<b>69 980</b>	<b>62 947</b>	<b>(7 034)</b>	<b>90%</b>	<b>86%</b>	<b>88 323</b>
<b>Capital Expenditure - Standard</b>								
<b>Governance and administration</b>	<b>3 864</b>	<b>2 068</b>	<b>5 932</b>	<b>4 947</b>	<b>(985)</b>	<b>83.4%</b>	<b>128.0%</b>	<b>3 382</b>
Executive and council	2 153	-	2 153	1 645	(508)	76.4%	76.4%	901
Budget and treasury office	37	-	37	4	(33)	10.6%	10.6%	1 630
Corporate services	1 675	2 068	3 743	3 298	(444)	88.1%	196.9%	851
<b>Community and public safety</b>	<b>33 872</b>	<b>(16 915)</b>	<b>16 956</b>	<b>20 325</b>	<b>3 369</b>	<b>119.9%</b>	<b>60.0%</b>	<b>33 608</b>
Community and social services	1 100	373	1 473	354	(1 119)	24.0%	32.2%	-
Sport and recreation	3 270	44	3 313	3 309	(4)	99.9%	101.2%	695
Public safety	-	-	-	-	-	-	-	-
Housing	29 502	(17 332)	12 170	16 661	4 491	136.9%	56.5%	33 113
Health	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	<b>4 399</b>	<b>3 391</b>	<b>7 790</b>	<b>7 507</b>	<b>(282)</b>	<b>96.4%</b>	<b>170.7%</b>	<b>12 741</b>
Planning and development	-	2 686	2 686	2 316	(371)	86.2%	-	4 445
Road transport	4 399	705	5 104	5 192	88	101.7%	118.0%	8 296
Environmental protection	-	-	-	-	-	-	-	-
<b>Trading services</b>	<b>31 460</b>	<b>7 842</b>	<b>39 302</b>	<b>30 168</b>	<b>(9 134)</b>	<b>76.8%</b>	<b>95.9%</b>	<b>38 392</b>
Electricity	179	4 758	4 937	3 445	(1 492)	69.8%	1924.8%	7 889
Water	7 745	3 001	10 747	8 116	(2 631)	75.5%	104.8%	9 059
Waste water management	23 535	83	23 618	18 607	(5 011)	78.8%	79.1%	21 097
Waste management	-	-	-	-	-	-	-	347
<b>Total Capital Expenditure - Standard</b>	<b>73 594</b>	<b>(3 614)</b>	<b>69 980</b>	<b>62 947</b>	<b>(7 034)</b>	<b>90%</b>	<b>86%</b>	<b>88 323</b>
<b>Funded by:</b>								
National Government	28 925	(1 445)	27 480	27 434	(46)	99.8%	94.8%	35 335
Provincial Government	29 502	(14 832)	14 670	19 307	4 637	131.6%	65.4%	33 038
District Municipality	-	62	62	62	0	100.0%	-	-
Other transfers and grants	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	<b>58 427</b>	<b>(16 215)</b>	<b>42 212</b>	<b>46 802</b>	<b>4 590</b>	<b>111%</b>	<b>80%</b>	<b>58 373</b>
<b>Public contributions &amp; donations</b>								
Borrowing	7 075	6 964	14 040	8 509	(5 531)	60.6%	120.3%	5 455
Internally generated funds	8 093	5 636	13 729	7 635	(6 093)	55.6%	94.4%	14 495
<b>Total Capital Funding</b>	<b>73 594</b>	<b>(3 614)</b>	<b>69 980</b>	<b>62 947</b>	<b>(7 034)</b>	<b>90%</b>	<b>86%</b>	<b>88 323</b>

  
 AUDITOR-GENERAL  
 2014-11-27  
 SOUTH AFRICA

**APPENDIX E - Unaudited**  
**THEEWATERSKLOOF LOCAL MUNICIPALITY**  
**NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**  
**CASH FLOWS**

Description	2013/2014							2012/2013
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousand								
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>								
<b>Receipts</b>					-	-	-	
Ratepayers and other	215 920	(23 453)	192 467	197 827	5 360	102.8%	91.6%	162 862
Government - operating	86 840	18 488	105 328	68 675	(36 653)	65.2%	79.1%	63 449
Government - capital	62 851	(16 882)	45 969	79 159	33 190	172.2%	125.9%	79 384
Interest	6 200	4 000	10 200	12 171	1 971	119.3%	196.3%	10 024
Dividends	-	-	-	-	-	-	-	-
<b>Payments</b>					-	-	-	
Suppliers and employees	(281 041)	(19 423)	(300 465)	(277 732)	22 733	92.4%	98.8%	(209 598)
Finance charges	(13 731)	(791)	(14 522)	(12 478)	2 044	85.9%	90.9%	(12 780)
Transfers and Grants	-	(850)	(850)	(824)	26	96.9%		(783)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>77 039</b>	<b>(38 911)</b>	<b>38 128</b>	<b>66 799</b>	<b>28 671</b>	<b>175.2%</b>	<b>86.7%</b>	<b>92 559</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					-	-	-	
<b>Receipts</b>					57 342	-	-	
Proceeds on disposal of PPE	-	4 009	4 009	1 584				8 398
Decrease (Increase) in non-current debtors	-	-	-	-				-
Decrease (increase) other non-current receivables	-	5	5	586	580	10937.0%		13
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-
<b>Payments</b>					-	-	-	
Capital assets	(73 594)	3 614	(69 980)	(62 947)	7 034	89.9%	85.5%	(88 401)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(73 594)</b>	<b>7 628</b>	<b>(65 966)</b>	<b>(60 777)</b>	<b>5 189</b>	<b>92.1%</b>	<b>82.6%</b>	<b>(79 990)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					-	-	-	
<b>Receipts</b>					-	-	-	
Short term loans	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	7 075	-	7 075	11 275	4 200	159.4%	159.4%	23
Increase (decrease) in consumer deposits	250	(6)	244	354	110	144.9%	141.2%	61
<b>Payments</b>					17 113	-	-	
Repayment of borrowing	(8 000)	989	(7 011)	(6 978)	33	99.5%	87.2%	(6 521)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(674)</b>	<b>983</b>	<b>308</b>	<b>4 651</b>	<b>4 343</b>	<b>1508.4%</b>	<b>-689.9%</b>	<b>(6 437)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>2 770</b>	<b>(30 300)</b>	<b>(27 530)</b>	<b>10 673</b>	<b>38 203</b>	<b>38.8%</b>	<b>385.3%</b>	<b>6 131</b>
Cash/cash equivalents at the year begin:	9 028	18 517	27 545	27 545	(0)	100.0%	305.1%	21 414
Cash/cash equivalents at the year end:	11 798	(11 783)	15	38 218	42 546	253915.5%	323.9%	27 545





